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CENTRAL STATISTICAL OFFICE

Monthly Digest of Statistics

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CENTRAL STATISTICAL OFFICE

Monthly Digest of Statistics

SUPPLEMENT

DEFINITIONS AND EXPLANATORY NOTES

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INTRODUCTION

This *Supplement* gives definitions of items and units employed in the *Monthly Digest of Statistics* in more detail than is possible in the headings and footnotes of the tables in the *Monthly Digest* itself.

This issue replaces that published with the January 1973 edition of the *Monthly Digest*.

The definitions relate to the tables as they appear in issue No. 337 of the *Monthly Digest* for January 1974. If further new series are added or changes are made in the *Digest* before the next issue of this *Supplement*, additional definitions will be given where necessary in the footnotes to the tables in the *Digest*.

The definitions in the *Supplement* also apply to corresponding items in the *Annual Abstract of Statistics* and the *Abstract of Regional Statistics* prepared by the Central Statistical Office and published by HM Stationery Office.

When annual figures such as appear in the *Monthly Digest* are given in greater detail in the *Annual Abstract*, the additional explanatory notes are shown in the *Annual Abstract*.

Weekly averages are used in the *Digest* where the basic figures are collected on a weekly basis, and also in a few cases, indicated by footnotes, where the basic figures are for calendar months. Where weekly averages are given for months they represent the totals of four-week or five-week periods divided by four or five respectively. The average of a five-week period is indicated by an asterisk throughout the *Digest*.

Central Statistical Office,
Great George Street,
London SW1P 3AQ

22 January 1974

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I. NATIONAL INCOME AND EXPENDITURE

The tables in this section are designed to bring up to date the estimates for calendar years given in *National Income and Expenditure 1973* (HMSO 1973) and the quarterly estimates given in *Economic Trends*, October 1973. Definitions of the items appearing in the tables are given in *National Income and Expenditure 1973* which also presented for the first time a rebasing of the constant price series on to the average prices of 1970. A detailed description of the sources, methods and definitions used in making the regular estimates is given in *National Accounts Statistics: Sources and Methods* (HMSO 1968) and is brought up to date in the notes to *National Income and Expenditure 1973*.

It is not always possible to record all the various items of expenditure in the tables on precisely the same basis or at the same point in time. For example, consumers' expenditure on alcoholic drink is estimated in practice from the quantities cleared from bond and not from the quantities sold; expenditure on goods and services by public authorities and capital expenditure by businesses during a given period may not coincide with the recorded output of the goods purchased, or with the incomes generated by this expenditure, during the same period. These inconsistencies, of course, affect the estimates for complete years; but they are likely to affect the estimates for shorter periods to a much greater extent. Hence only guarded conclusions should be drawn about changes in the pattern of expenditure, and in the relations between expenditure, income and output, from one quarter to another.

Each table has a section giving seasonally adjusted estimates which are designed to assist in the interpretation of the original unadjusted estimates.

Gross domestic product

The gross domestic product is a measure of the value of the goods and services produced by United Kingdom residents before providing for depreciation (or capital consumption). The estimates of the gross domestic product are built up from largely independent data on incomes and final expenditure. But as it is not always possible to record all the various forms of expenditure and income on precisely the same basis or at the same point in time, there is a difference between the two sets of estimates. This difference appears as the Residual error and is presented as though it were an item of income. The movements in the residual error reflect inconsistencies between the various data on income and expenditure; these inconsistences are bound to be relatively larger for periods of less than one year than for complete years. The gross national product is equal to the gross domestic product *plus* net receipts from interest, profits and dividends earned abroad.

Index numbers of output at constant factor cost

In addition to that provided by expenditure at constant prices, an estimate of the gross domestic product can be obtained by the output method. This arrives at the aggregate by adding together the net output (including depreciation) of each industry.

The estimates are presented as index numbers seasonally adjusted. They are described in detail in Chapter V of *National Accounts Statistics: Sources and Methods*, and in *The index of industrial production and other output measures* (HMSO 1970).

Personal income, expenditure and saving

The personal sector includes unincorporated enterprises and non-profit-making bodies. Income is shown before tax and before providing for depreciation and stock appreciation. The item Personal saving before providing for depreciation, stock appreciation and additions to tax reserves is obtained as a residual and is subject to a wide margin of error.

Consumers' expenditure

Consumers' expenditure covers all expenditure by the personal sector, including private non-profit-making bodies serving persons, on goods and services for current use; but it excludes business expenditure on cars, meals, etc. which is allowed as a business expense in computing income for tax purposes of both employed and self-employed persons.

It includes expenditure on durable goods, for instance motor cars, which from the point of view of the individual might more appropriately be treated as capital expenditure. The only exception is the purchase of land and dwellings and costs incurred in connection with the transfer of their ownership, which are treated as personal capital expenditure.

The estimates of consumers' expenditure include purchases of second-hand as well as of new goods, *less* the proceeds of sales of used goods.

Detailed definitions of the items of consumers' expenditure identified in *National Income and Expenditure 1973* are given in Chapter VI of *National Accounts Statistics: Sources and Methods*. In the table in the *Monthly Digest of Statistics* some of these items are grouped together under the headings Other goods and Other services.

Other goods include household textiles, soft furnishings and hardware; matches, soap and other cleaning materials, etc.; books, newspapers and magazines; chemists' goods; miscellaneous recreational goods; other miscellaneous goods; running costs of motor vehicles; and income in kind not included elsewhere.

Other services include travel; communication services; entertainment and recreational services; domestic service; catering (meals and accommodation); wages, salaries, etc. paid by private non-profit-making bodies; insurance; other services (laundries, hairdressing, betting, etc.); and consumers' expenditure abroad *less* expenditure by foreign tourists, etc. in the United Kingdom.

Value of physical increase in stocks and work in progress

The quarterly estimates for manufacturing, wholesaling and retailing are based on information about the book value of stocks supplied by a sample of companies to the Department of Trade and Industry. The figures for manufacturing are based on returns from a panel of companies covering about two-thirds of total manufacturers' stocks and including most of the larger companies, but those for wholesaling and retailing have a narrower coverage. The figures for the latest complete year and succeeding quarters are based at first on the quarterly inquiry but are revised in the light of the results of the censuses of production and distribution and the annual inquiries into the distributive and service industries when these become available.

The volume figures are derived from the basic book value figures in detail—industry group by industry group—using as much information about the commodity composition of stocks as is available and a wide range of price index numbers. The seasonally adjusted series are then obtained as the sum of the seasonally adjusted series for different industry groups.

The figures are described in detail in Chapter XIII of *National Accounts Statistics: Sources and Methods.*

Gross domestic fixed capital formation

This comprises expenditure on fixed assets either for their replacement or the addition to existing fixed assets; expenditure on maintenance and repairs is excluded. Fixed assets include dwellings, other new buildings and works, vehicles, plant, machinery and other equipment, and the analysis by industry group covers these categories of asset. Land and existing buildings are a further category of fixed asset, the transactions in which, except for actual costs of transfer, must net out when aggregated for the country as a whole. Net transactions in land and existing buildings are included, however, in the analysis of gross domestic fixed capital formation by sector.

The figures are described in detail in Chapter XII of *National Accounts Statistics: Sources and Methods.*

Fixed capital expenditure in the manufacturing, distributive and service industries

The quarterly estimates are based on information supplied to the Department of Trade and Industry by panels of companies which account for about two-thirds of the capital expenditure of the manufacturing industries, but less than this in the case of the distributive and service industries. The figures for the most recent quarters (and sometimes for the latest complete year) are based at first on the quarterly inquiry but are revised in the light of the censuses of production (in the case of manufacturing industry) and distribution and the annual inquiries into the distributive and service industries when these become available.

The figures supplied at current values are revalued at constant prices which are then seasonally adjusted. The figures for plant and machinery as well as for vehicles are 'net' of receipts from sales of such assets.

II. POPULATION AND VITAL STATISTICS

Population of the United Kingdom

Mid-year estimates

Mid-year estimates are constructed from the latest full Census, with allowance for births, deaths, migration into and out of the country and variation in the disposition of the armed forces since the Census was taken. No adjustment is made, however, for the purely temporary seasonal net increase in visitors to this country in the summer months. Figures are given on two bases, *de facto* or Home population and Total population.

De facto or Home population: Persons actually present in an area.

Total population: This is the *de facto* or Home population *plus* members of HM Forces domiciled in the area but serving overseas or in another part of the United Kingdom but excluding members of HM Forces and Commonwealth and foreign armed forces present in the area who were not domiciled in it.

Projected Total population

Projections of the Total population of the United Kingdom last appeared as a Supplementary Table in the June 1973 issue of the *Digest*. Notes on the assumptions used in preparing these projections were also included. A similar table appears later in the *Annual Abstract of Statistics*. An account of the methods and results for the mid-1972 based projections appears in *Population Projections No. 3 1972–2012* (HMSO 1973).

Births, marriages and deaths

Births, marriages and deaths are those registered in the country during the periods shown.

The number of births registered in a period differs somewhat from the number which occur in that period because of the varying time-lag between a birth and its registration.

Deaths include those of members of the armed forces in the United Kingdom but exclude any which occur abroad.

Stillbirths are excluded throughout.

III. LABOUR

Comprehensive employment statistics based on the national insurance scheme are available from mid-1948 until mid-1971 and have been published for Great Britain in the *Digest* since March 1949. In 1971 an annual census of employment was introduced. The new system relies on returns from employers. In order to provide a link between the old system and the new system, both a card count and a census were taken in 1971.

The count of national insurance cards included many employees who work for part of the year only and who would not have been in employment in the particular week in June when the census was taken. Mainly for this reason the census figure for June 1971 is considerably lower than the card count. Another difference is that a person who had two regular jobs with different employers in the week of the census was counted twice in the census but only once in the card count so that the census figures are higher than the card count in some industries and services where secondary employment is common.

The industrial analyses of employed and unemployed persons are based on the *Standard Industrial Classification* (published by Her Majesty's Stationery Office). From June 1969 they are based on the 1968 edition. The bases of all industrial analyses are shown in each table.

Distribution of working population

The figures, which relate to mid-month, are estimates of the total numbers gainfully employed, of all ages and occupations, including employers and persons working on their own account as well as employees; they cover HM Forces and Women's Services as well as civil employment (including persons temporarily laid off), together with persons registered as unemployed. Persons in part-time employment, and for the years 1948–1971, persons whose employment was regarded as 'inconsiderable' for the purposes of the national insurance scheme,

are included and each of them is counted as a unit in the figures.

Industrial analysis of employees in employment

The figures for the middle of each year from 1948 to 1971 are based on the estimated numbers of employees (employed and unemployed) in each industry as derived from the count of national insurance cards due for exchange in June (part-time workers are counted as full units), *less* those registered as unemployed. The figures for the middle of each year from 1971 are obtained direct from the census of employment as these estimates relate to employees who have jobs in the census week. (Part-time workers, who are separately identified, are counted as full units.)

Employees in employment: production industries

June figures are obtained as described above. For Great Britain, figures for other months are obtained by application of the percentage changes in the numbers employed, derived from the returns rendered by employers under the Statistics of Trade Act, 1947. (Returns are at present received from all establishments in manufacturing industries with 100 or more employees and one-quarter of those with 11–99 employees.) For Northern Ireland, figures are now only available for mid-year and these are used for each month until new mid-year figures become available; then the monthly figures will be revised back *pro rata*.

Staff employed in the Civil Service

The table sets out the numbers of UK-based staff of government departments whose pay is voted wholly and directly by Parliament. The following categories are excluded from the figures in the table: holders of judicial and political office; the staff of grant-aided bodies (e.g. the Forestry Commission); the staff of the Office of the Parliamentary Commissioner for Administration and the Exchequer and Audit Department; and certain staff who are deemed to be civil servants for superannuation purposes. Staff locally engaged overseas are not included, but staff engaged in the United Kingdom and serving abroad (e.g. in the Diplomatic Service and in the Ministry of Defence) are included.

The tabulation gives separate figures for Central administration and Executive functions. The former includes staff at headquarters concerned with the introduction or development of policy and related matters and with central services, such as the provision of professional advice and support services, e.g. finance, personnel, etc. Executive functions covers three main types of function: (i) staff concerned with the application of policy (examples are payment of sickness benefit, collection of taxes and contributions, staff in prisons and providing services to industry including research and development); (ii) activities which are largely financially self-supporting through sales, fees or charges for goods and service; (iii) provision of services for other government departments.

The figures for the civil service table do not agree with those given in the table showing the distribution of the working population in Great Britain under National government service, since the latter term is a residual sub-heading of the Standard Industrial Classification covering all civil servants who are not in industrial units specifically covered elsewhere in the Classification, e.g. dockyard and ordnance factory workers, museum staff, etc.

Numbers employed in agriculture

The table shows the number of British and foreign workers (excluding the occupier and his wife, domestic servants, and children still at school) employed on the day of the census on agricultural holdings of more than one acre in Great Britain up to June 1969, and of one acre or more in Northern Ireland. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including those on one acre of agricultural land or less. The census was also extended in the same terms in Northern Ireland with effect from June 1973.

Regular workers absent through sickness or holidays and working partners of the occupier are included.

Seasonal and casual workers and persons temporarily employed in agriculture, although ordinarily employed in other industries, are included in the figures for All workers. Seasonal, casual or temporary labour is defined as including contract work, that is, labour supplied by Divisional Office trading services of the Ministry of Agriculture, Fisheries and Food, contractors or gangmasters for farm work by the piece, the job, the hour or the week. For Great Britain Regular workers include regular part-time workers. For Northern Ireland the term Regular workers covers only regular full-time workers.

Constructional work: number of operatives employed by contractors

The employment figures show the total number of operatives on firms' payrolls on a pay day in the first half of each month.

Overtime and short-time in manufacturing industries

The monthly employment returns rendered by employers under the Statistics of Trade Act give particulars about short-time and overtime worked in manufacturing industries, other than shipbuilding and ship repairing, in a specified week. These particulars relate to operatives only, that is, they exclude administrative, technical and clerical staffs, and the overtime figures also exclude maintenance workers.

Broadly speaking, returns are received from all establishments in manufacturing industries with 100 or more employees and one-quarter of those with 11–99 employees, but the figures for short-time and overtime given in the *Digest* include an estimated allowance for the employers with 11–99 employees not required to render returns.

Unemployment

The current figures include all unemployed persons registered for employment at a local employment office or youth employment service careers office in Great Britain, with the exception of registered severely disabled persons who are unlikely to obtain work other than under special conditions. They represent the numbers on the registers who were actually unemployed on the Monday of the count and were capable of and available for work. The numbers of married women unemployed are shown separately.

The figures do not include those working short-time or otherwise suspended from work on the understanding that they were shortly to return to their former employment (temporarily stopped). The unemployed are subdivided to show those who had, at the date to which the figures relate, been unemployed continuously for two weeks or less, for more than two weeks but not more than eight weeks, and for more than eight weeks. Separate

figures are also given for broad industry groups and for each region. Figures are also given of the numbers receiving unemployment benefit and supplementary allowance.

The number of persons registered as unemployed in Northern Ireland is shown in the general and regional tables.

Seasonally adjusted unemployment statistics

The seasonally adjusted unemployment figures relate to registered unemployed persons, excluding both those under 18 not in full-time education who have not yet entered insured employment (described as School-leavers) and adult students seeking vacation work. The method of seasonal adjustment used, described briefly in the August 1972 issue of the *Department of Employment Gazette* (page 717), is under continuing review and details of any changes will be provided in the *Department of Employment Gazette*. Separate figures are given for males and females and for the following broad industry groups —all industries covered by the Index of Production with separate figures for manufacturing; construction; agriculture, forestry and fishing; transport and communication; distributive trades; catering, hotels, etc.; and all other industries and services.

Vacancies filled and unfilled

The table shows the number of vacancies filled in Great Britain at employment exchanges and youth employment service careers offices, together with the number of vacancies notified to employment exchanges, etc. remaining unfilled at the end of each monthly period. Separate totals are given for males and for females, and each of these classes is sub-divided into adults (18 years and over) and young persons under 18 years.

In interpreting these statistics it should be remembered that the figures relate only to vacancies notified to the placing agencies mentioned above. They do not purport to represent the total number of vacancies to be filled. Some employers do not notify vacancies to employment exchanges, but prefer to rely on other methods for finding workpeople and some industries (e.g. sea transport) have special arrangements for filling vacancies.

For Northern Ireland the table shows vacancies filled by and notified to the local offices of the Northern Ireland Ministry of Health and Social Services.

Industrial stoppages

This table shows the number of workers involved and the total number of working days lost in stoppages of work arising from industrial disputes in the United Kingdom. The statistics relate to stoppages of work due to disputes connected with terms and conditions of employment. They exclude stoppages involving fewer than 10 workers or lasting less than one day unless the aggregate number of working days lost in the stoppage exceeds 100.

Workers involved are those directly participating and workers at the same establishments who were indirectly involved, i.e. thrown out of work but not themselves parties to the disputes. The figures of working days lost exclude any loss of time, for example through shortages of material, which may be caused at other establishments by the stoppages which are included in the statistics.

When a stoppage began in one period and continued into another the workers have been counted only in the period in which they ceased work. When the same workers were involved in two or more stoppages in any period, they have been counted in the totals on each occasion. The aggregate number of working days lost in any period is the number lost in that period through all stoppages in progress, irrespective of when the stoppages began.

Students in grant-aided establishments for further education

The definitions which follow apply to the series shown in the *Annual Abstract of Statistics* and the *Abstract of Regional Statistics*.

Sandwich courses

These differ from full-time courses in that the period of study in college is broken by a period (or periods) of industrial training forming an integral part of the course. Courses in which the period spent in college, taken over the whole course (in college and industry), averages eighteen weeks or less a year are treated as block release courses and included in the figures for part-time day courses.

Part-time day courses

Most of the students taking part-time day courses are employed by firms who release them for one or two days a week. Some part-time day courses also include periods of evening instruction.

IV. SOCIAL SERVICES

National insurance

Sickness, invalidity and injury benefits

Under the National Insurance Acts, nearly the whole of the civilian working population aged 15 years and over but not yet retired can qualify for sickness benefit, including not only those employed under contract of service but also the self-employed. There are, however, over 4 million employed persons who do not qualify including over 3½ million married women who have elected not to pay flat-rate contributions.

In general, invalidity benefit replaces sickness benefit after this has been payable for over 6 months.

The numbers of new claims for sickness and invalidity benefits are derived from the number of first medical certificates received by the Department of Health and Social Security. The numbers of insured persons absent from work on account of sickness or invalidity are provisional estimates based on the numbers of new claims, which are subsequently replaced by final estimates based on a standing sample of claimants.

The National Insurance (Industrial Injuries) Acts, under which claims to injury benefit are made, applies to almost all civilians working for an employer under contract of service or apprenticeship. The number of new claims for injury benefit and the estimated number of persons absent from work because of industrial accident or occupational disease (that is, a disease

prescribed for the purpose of the Act, such as lead poisoning) are obtained in the same way as those for sickness benefit.

A small number of claims do not result in payment of benefit but, because they indicate certified incapacity for work, they are included in the figures.

Unemployment benefit

Most unemployed persons who normally work for an employer can qualify for unemployment benefit. The main exceptions are those married women who have elected not to pay flat-rate contributions. Self-employed persons and non-employed persons are not eligible for unemployment benefit.

Retirement pensions

Retirement pensions, as the name implies, are payable on retirement from regular work provided the minimum age (65 for men, 60 for women) has been reached and the necessary insurance and contribution conditions are satisfied. From age 70 (65 for women) the retirement condition no longer applies.

A married woman can receive a pension through her husband's insurance provided that the retirement and age conditions are satisfied by both.

Widows' pensions and widowed mothers' allowances

These are payable, subject to certain conditions, from the end of the initial period of six months from the date of widowhood, during which widows' allowances are paid at a higher rate. A widow's pension continues, unless the widow remarries, until she reaches the age of 65 or, after the age of 60, notifies retirement from work, when it is replaced by a retirement pension. A widowed mother's allowance continues so long as a widow has at least one child of school age or, if living at home or continuing full-time education elsewhere, under age 19.

Family allowances

Weekly allowances are paid for each child in the family after the first below the age limit. This is, in general, the normal school-leaving age (16), but if the child is still at school or is an apprentice the allowance is paid until the 19th birthday.

Family income supplement

Family income supplement is payable to families with one or more children where the head of the family is in full-time work but the income of the family is low.

Attendance allowance

Attendance allowance is payable to persons who are so severely disabled, physically or mentally, that they require frequent attention or continual supervision.

Supplementary benefits: pensions and allowances

Benefits under the Ministry of Social Security Act

Under Part II of the Ministry of Social Security Act, 1966, Every person in Great Britain of or over the age of sixteen whose resources are insufficient to meet his requirements shall be entitled, subject to the provisions of this Act, to benefit as follows, that is to say:

(*a*) if he has attained pensionable age, to a supplementary pension,

(*b*) if he has not attained pensionable age, to a supplementary allowance.

Requirements and resources are computed for this purpose in accordance with Parts II and III of Schedule 2 to the Act as amended.

These benefits replaced grants under the National Assistance Act, 1948 on 28 November 1966 and pensions under the Old Age Pensions Act, 1936 on 2 December 1966.

National Health: hospital services

The figures are taken from returns made half-yearly by Authorities responsible for hospitals to the Department of Health and Social Security, the Welsh Office and the Scottish Home and Health Department.

Staffed beds

This figure includes staffed beds which are temporarily unavailable.

Occupation of beds

The figures are obtained by taking the total of the daily numbers of in-patients for the year (at the night count) and dividing by the number of days in the year. In-patients, for this purpose, are persons (other than day-cases) who have gone through the full admission procedure of the hospital and occupy a bed in the in-patient department.

Discharges and deaths

The figures shown include all patients who have gone through the full in-patient procedure and who have subsequently been discharged or have died.

Waiting list

All patients listed as awaiting admission to hospital for in-patient treatment are included under this heading with the following exceptions:

(*a*) expectant mothers booked for confinement;

(*b*) deferred admission cases;

(*c*) transfer cases, i.e. patients already occupying beds in hospital and awaiting transfer to another department or hospital.

Out-patient attendances

Each attendance of a course or series is included in the year in which the attendance occurred. Persons attending more than one department are counted in each department.

Day-patient attendances

Day cases are persons attending as non-resident patients for investigation, therapeutic test, operative procedure, or other treatment, and who require some form of preparation, period of recovery, or both, involving the provision of accommodation and services. Each attendance as a day case is included in the year in which the attendance occurred.

National Health: Executive Council services

Under the National Health Service Act, 1946, 119 Executive Councils in England and 15 in Wales and, under the National Health Service (Scotland) Act, 1947, 25 in Scotland administer the local medical, dental, pharmaceutical and general ophthalmic services. Under the National Health Service Reorganisation Act, 1973, these services will be administered in England and Wales from 1 April 1974 by Area Health Authorities through Family Practitioner Committees; under the National Health Service (Scotland) Act, 1972, 15 Health Boards will administer these services from 1 April 1974.

Pharmaceutical services

These figures represent the number of national health service prescriptions of drugs, medicines and specified appliances dispensed by retail pharmacies, drug stores and suppliers of surgical appliances in contract with the Council. Most of the items are supplied on national health service prescriptions given by the family doctors

(other than those which doctors themselves dispense for their patients), but a small number is given by dentists, at national health service hospitals and clinics and at such stations of Service departments as have no dispensing facilities.

Dental services

A dentist in accepting a patient undertakes to provide the treatment needed to achieve dental fitness, except in emergency cases where the treatment is limited to certain items (e.g. the extraction of one or two teeth or a denture repair). The course is complete when this treatment—or such of it as the patient is willing to undergo—has been carried out.

The figures include full courses and emergency cases which were scheduled for payment during the period.

General ophthalmic services

These services provide for the testing of sight and, if necessary, the supply of glasses. They operate in conjunction with the Hospital Eye Service which provides for the diagnosis and treatment of diseases or defects of the eyes and for the supply of optical appliances.

Persons may have their sight tested by any ophthalmic medical practitioner or ophthalmic optician on an ophthalmic list, but on the first occasion of using the general ophthalmic services an applicant requires doctor's recommendation that a sight test is necessary.

A prescription for glasses may be dispensed by any ophthalmic or dispensing optician on an ophthalmic list.

A range of frames is available under the National Health Service but patients are required to pay the full cost of the frames selected. Patients also pay for lenses provided under the service. Subject to certain conditions, lenses supplied under the general ophthalmic services may be fitted to privately supplied frames at the applicant's specific request. Glasses for children under 10 are supplied to the patient free of charge provided that the frames are chosen from a special limited range. Children who have reached 10 years of age and either are under 16 years of age or, if age 16 or over, are still attending full-time at school, may also receive free of charge glasses using frames from the children's range. Alternatively they may be supplied with free lenses if any other NHS frame is used: the charge for the frame must then be paid. The figures of glasses paid for include all the cases described above.

A number of approved prescriptions given following sight tests result in glasses being supplied privately. These are not included in the figures of glasses paid for.

V. AGRICULTURE AND FOOD

Crops and grass

Area

Up to June 1969 the statistics of area relate to agricultural holdings of more than one acre in extent in Great Britain and of one acre or more in Northern Ireland. The areas shown exclude woodlands, buildings, roads, yards and ponds, etc. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including some 2,300 holdings on one acre of agricultural land or less. The census was also extended in the same terms in Northern Ireland with effect from June 1973. Total acreage of woodlands (ancillary to farming) and of other land (under roads, yards and buildings used for agricultural purposes) is now included in figures of agricultural area.

The figures for specific crops relate to those which are actually in the ground on the date of the June census or for which the land is being prepared at that date. Any catch crops grown for livestock feed or for ploughing-in in the period between the harvest and the sowing of the next season's main crop will not be shown in the acreage returns. The case is similar for horticultural crops.

Individual crop acreages are returned to the nearest quarter-acre and include headlands, ditches and hedges attributable to the particular crop. Any crops not specified in the return or grown in patches of less than one-quarter of an acre are shown under the heading Other crops.

In Scotland the permanent grass acreage relates to grass 7 years old or over.

In Northern Ireland permanent grassland for mowing refers to grass more than 3 years old.

Quantity harvested

Except for sugar beet and hops, the estimates of the quantity harvested of agricultural crops are obtained by combining the production acreages with estimates of yield per acre made by technical officers employed by the Ministries of Agriculture in England and Wales and Northern Ireland and by crop reporters in Scotland up to 1964. From 1965 the Scottish yield estimates for wheat, barley and oats are based on sample surveys of farms and this method of estimating yields was extended to the potato crop from 1966. In England and Wales the production acreage of cereals and fodder crops is the area returned at June *less* the estimated areas on which the produce failed in the early stages, was ploughed in or, in the case of cereals only, cut green for fodder after the June census date. The production acreage of hay is the area of temporary and permanent grass actually cut and harvested for hay; while that of early potatoes is the area estimated to have been harvested by 31 July (as opposed to the area returned in June as intended for harvesting by 31 July) and that of maincrop potatoes the area estimated to have been harvested after 31 July. The published estimates are prepared for all countries in November and are made on a parish basis in England and Wales, by region for Scotland and on a rural district basis in Northern Ireland. The production acreage of sugar beet is the area returned at June *less* that grown for seed; production figures are supplied by the British Sugar Corporation and the yield per acre is obtained by dividing the production figure by the production acreage. Production figures of hops are supplied by the Hops Marketing Board and the area returned at June is used to obtain a yield per acre.

In the case of horticultural crops the quantity harvested in England and Wales is calculated by multiplying yield estimates supplied by Horticultural Crop Intelligence Committees and technical officers of the Ministry by, for vegetables and small fruit, the appropriate cropped areas. The cropped acreages are based on either one or more of the five censuses covering horticultural crops, or, for certain crops, on estimates made by the Ministry. For top fruit, the area is based on the Orchard Fruit Censuses held every four years with estimates for the intervening years.

In Scotland the quantity harvested is calculated for ten crops (raspberries, strawberries, tomatoes, peas for canning, carrots, lettuce, cauliflower, brussels sprouts,

cabbage and leeks) by multiplying yield estimates based on the results of a sample survey with acreages returned at one of the two agricultural censuses, adjusted where necessary for double cropping. For other vegetables and fruit, yield estimates are supplied by technical officers of the Department.

In Northern Ireland the quantity harvested of all fruit and vegetables is calculated by multiplying yield estimates supplied by technical officers of the Ministry by the total crop acreages obtained from the June and December censuses. The working is on a rural district basis.

Livestock

Up to June 1969 the tables show the number of cattle, sheep, pigs and poultry as returned by occupiers of agricultural holdings on more than one acre in Great Britain and by all owners of livestock in Northern Ireland. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including those on one acre of agricultural land or less, as previously mentioned.

For England and Wales the June figures are the results of a full census; at December, returns are collected from a sample only. In Scotland and Northern Ireland both the June and December figures are the results of full censuses.

Disposals of food and animal feedingstuffs

Disposals are estimated from home production and imports, adjusted for changes in the known stocks held in warehouses, cold stores, etc. by wholesalers, importers, manufacturers and the government; they include deliveries to manufacturers of non-food products, and to exporters except where otherwise defined. As these deliveries are quantitatively important for potatoes, sugar and fish, separate figures of disposals for food in the United Kingdom are also given for these commodities. Disposals for food in the United Kingdom include use in the manufacture of other foods (e.g. sugar in jam, biscuits and sweets), certain disposals to HM Forces, and ingredients used in manufactured products which are exported. Disposals are, therefore, not the same as retail purchases.

Cereals and cereal products

Sales of home grown grains for food

For wheat the receipts of home grown supplies by flour millers are shown and small quantities subsequently sold again for animal feed are therefore included. For barley the receipts of home grown supplies by brewers, maltsters, flakers, roasters, distillers and pot barley manufacturers are shown and exported supplies are included. For oats the receipts by oatmeal millers of home grown supplies for processing into human food are shown.

Wheat and oat milling

The tables show the quantities of home produced and imported wheat milled and the amount of flour produced; the resulting production of wheat offals appears in the table of animal feedingstuffs. Stocks of wheat and flour include wheat and flour expressed in terms of wheat held by flour millers, cereal breakfast foods manufacturers, and importers and dealers. Flour disposals include exports.

Only the quantities of oats used in establishments milling primarily for human food are included in the series described as oats milled. The products of oatmilling are similarly restricted to all cuts of oatmeal, flakes, rolled oats, oat flour, groats, and any other product produced for human food. Stocks of oats are those held by main processors, including oatmeal millers, provender millers and compound feedingstuffs manufacturers. The provender millers' and compounders' figures relate to Great Britain only. Stocks held by importers and dealers are also included. They include not only whole grain but some processed grain held by provender millers and compound feedingstuff manufacturers.

Barley

Disposals for food and brewing refer to the quantities of home grown and imported grain used by brewers, maltsters, flakers, roasters, distillers, and pot barley manufacturers. Exports are included. Stocks are those held by main processors, including brewers, maltsters, distillers, provender millers and compound feedingstuffs manufacturers. The provender millers' and compounders' figures are in respect of Great Britain only. Stocks held by importers and dealers are also included. They include not only whole grain but some processed grain held by provender millers and compound feedingstuff manufacturers.

Biscuits

The following types are included: chocolate biscuits, fully and partially coated; sweet and semi-sweet biscuits; plain biscuits; rusks, crispbreads, matzos and oatcakes; wafers and cones.

Animal feedingstuffs

Maize

Not only maize and maize meal used as animal feed but supplies of maize used by manufacturers for the production of starch, glucose, cereal breakfast foods and for distilling are included. Stocks are those held by main processors, including cereal breakfast food manufacturers, provender millers and compound feeding stuffs manufacturers. Provender millers' and compounders' figures relate to Great Britain only. Stocks held by importers and dealers are also included. They include not only whole grain but some processed grain held by provender millers and compound feedingstuff manufacturers.

Oilcake and meal

Production is a residual from the crushing in the United Kingdom of oilseeds and nuts for oil. Disposals relate to the sales of home-produced cake and meal and also imported cake and meal and include exports. Stocks are those held by main processors, including crushers, provender millers and compound feedingstuffs manufacturers. Provender millers' and compounders' figures relate to Great Britain only. Stocks held by importers and dealers are also included.

Wheat milling offals

Wheat milling offals (wheat feed) production is a residual from the milling of home-grown and imported wheat. Disposals comprise not only home-produced offals but also imported supplies and include exports. Stocks are those held by main processors, including flour millers, provender millers and compound feedingstuffs manufacturers. Provender millers' and compounders' stocks relate to Great Britain only. Stocks held by importers and dealers are also included.

Compound feedingstuffs

Only commercial production from home produced and imported raw materials is included. Compound feedingstuffs includes grain balancers and concentrates. Material supplied by farmers for processing to their own requirements is excluded.

Potatoes

The figures relate to the United Kingdom; those for Great Britain have been provided by the Potato Marketing Board, and those for Northern Ireland by the Ministry of Agriculture for Northern Ireland.

Sales of potatoes from farms are the quantities sold for food, for processing and for export, and include an estimate for human consumption in farm households and the surplus potatoes fed to livestock or processed under Schemes for implementing the Agriculture Act, 1947. Production on allotments and gardens, potatoes used for seed, potatoes fed to livestock outside the Schemes, and surpluses for which compensation has been paid are excluded.

Disposals for food in the United Kingdom are the total quantities of potatoes, as recorded by the Potato Marketing Board, moving into human consumption from all sources except non-agricultural holdings.

Sugar

Production relates to refined and raw sugar (in terms of refined) from home grown sugar beet, as recorded by the British Sugar Corporation.

Disposals for food in the United Kingdom include sugar used in the manufacture of products such as confectionery and jams for export, as well as for home consumption; they also include the refined equivalent of sugar used in the production of syrup and treacle and other sugars, for example, invert sugar and caramel. Stocks include imported and home produced supplies of refined and raw sugar (in terms of refined) held in the United Kingdom by refiners and by the British Sugar Corporation.

Glucose

The figures cover the production of liquid and solid glucose and dextrose monohydrate.

Jam and marmalade

The figures show the quantities produced, delivered and held in stock by manufacturers.

Animals slaughtered, meat produced and meat stocks

Animals slaughtered

The figures are those of animals slaughtered in the United Kingdom, including imported fat animals. From July 1954 they are derived from returns recording slaughterings in public and licensed slaughterhouses, including bacon factories. Unrecorded domestic slaughter and slaughter in knackeries are excluded. Slaughterings of poultry are derived through census returns together with statistics on chick-placings for, and packing-stations throughput of, table poultry.

Meat produced

From July 1954 the figures represent the estimated production of carcase meat (including trimmings from bacon pigs) and offal from slaughterings as defined in the preceding paragraph, and from information available on dressed carcase weights. Pig meat used for the production of bacon and ham is excluded.

Poultry meat

Estimates of production are on the basis of dressed carcase weights (oven ready) and are published only in the *Annual Abstract of Statistics*.

Bacon and ham

Production figures relate to the output of curing factories from both home-killed and imported carcases; small-scale commercial production and production by pig clubs or other domestic producers is excluded.

Disposals include supplies of home produced or imported bacon and ham moving into consumption and also such supplies as are used for canning in the United Kingdom. They do not include any imported canned bacon and ham.

Canned meat

Figures of production relate to all types of canned and bottled meat and meat products. Meat extracts and essences, soups and pastes are, however, excluded.

Home produced or imported meat or bacon and ham used for canning are included also in the figures of home production or imports of those commodities.

Meat stocks

The figures represent the stocks of imported meat held in public and government owned cold stores, but not in stores reserved for private concerns or in undischarged cargoes. Prior to January 1964 meat stored below 14°F was excluded.

Fish and fish products

Fish

Fish, fresh, frozen and cured, excludes shellfish.

British landings (freshwater fish is excluded) are the quantities of fresh fish and edible offal landed by the home fishing fleets. Since 1954 landings of frozen fish and salted fish are also included; the former can be landed whole, headless or as fillets and is expressed in fresh landed weight equivalent; the latter is landed extremely rarely.

Total disposals are measured in terms of landed weight. Fresh, frozen and cured fish, of both British and foreign taking, and imported freshwater fish are included. Disposals for food in the United Kingdom are the weight, as landed, of all fresh, frozen and cured fish intended for human consumption. Fish used for canning (from 1969, excepting the canning of pet foods), whether for home consumption or for export, and for curing for home consumption is included. The landed weight of exported supplies of fresh, frozen and cured fish, fish taken by fishmeal manufacturers, fish condemned or unsold, and from 1969, fish used for pet food manufacture, is excluded. The series Filleted weight shows the estimated edible equivalent, on a fresh fish basis, of the fresh, frozen and cured fish intended for human consumption.

Canned fish

The principal varieties of fish canned are herrings, sild, brisling and pilchards. Canned roes are included, but bottled fish and bottled shell fish are excluded. The production of canned fish is published only in the *Annual Abstract of Statistics*.

Oils and fats

The quantity of oilseeds and nuts processed by crushing, expelling and extraction is recorded, and also the resulting production of crude vegetable oil.

The crude oil equivalent of the refined oils used in the manufacture of margarine and compound fat and other foods is included in the disposals of vegetable oils, together with the crude oils used as such for soap and other industrial purposes. Exported supplies are included in the disposals.

The crude oil equivalent of the refined herring and other marine oils used in the production of margarine and compound fat is recorded as the disposal of marine oils. Between 1954 and 1959 inclusive, disposals are only of whale oil.

Butter contained in butter-blended margarine is included in the production of margarine.

Stock figures include the quantities of oilseeds and nuts, vegetable oils and marine oils respectively held by seed crushers, hardeners and refiners of oil and manufacturers of margarine, compound fat and soap.

Milk and milk products

The figures cover milk sold through the marketing schemes for use as liquid milk and for the manufacture of milk products including cream and farmhouse cheese. The quantity consumed by farm households and used on farms for butter and cream production or calf rearing is excluded.

The provision of liquid milk at a reduced price was withdrawn from 4 April 1971, but entitlement to free welfare milk has been extended and now covers expectant and nursing mothers, children under five at registered day nurseries, handicapped children between five and sixteen years of age, all except two of the young children in a large family and, where the income is low, to all young children in a family.

Up to September 1968, free milk was provided in all schools, but from that date it was restricted to pupils at primary and special schools maintained by local education authorities. Beginning from the school term following the summer term 1971, those eligible for free milk are pupils of all ages at approved special schools and pupils at primary schools (including nursery and infant schools) under the age of seven. Free milk is also available on medical grounds to children at primary schools between seven and twelve years of age.

Milk products

Figures for butter relate to the output of home creameries and are based on milk usage; production of butter on farms is excluded. Butter stocks represent the stocks of imported butter held in public and government-owned cold stores, but not in stores reserved for private concerns or in undischarged cargoes. Prior to January 1964 butter stored below 14°F was excluded.

Figures for cheese relate to all home produced cheese other than the small quantities produced on farms outside the Farm Cheesemakers' Scheme. Figures for processed cheese are excluded as it is a re-manufacture of home produced and imported cheese.

The condensed milk and milk powder series relate throughout to the quantities produced from full-cream or skimmed milk.

Eggs in shell

Disposals show the estimated quantities of hen and duck eggs produced for consumption in shell and for processing for human consumption in the United Kingdom, together with imported eggs. Sales for food relate to output for human consumption of hen and duck eggs.

Canned and bottled fruit, canned vegetables and canned soups

Fruits canned or bottled in the United Kingdom include home grown plums, apples, all varieties of soft fruit, and rhubarb; fruits such as peaches, pears and pineapples, imported either fresh or in containers, and canned here are also included. Stocks are those held by manufacturers.

The chief varieties of vegetables canned are peas (either fresh or processed) and beans in tomato sauce, but carrots, potatoes and other roots, certain green vegetables, and macaroni and spaghetti in tomato sauce are also included. Stocks are those held by manufacturers.

Vegetable soups are included in the figures of canned soups. The production of canned soups relates to the ready-to-serve equivalent from 1961 onwards; earlier figures relate to the net can content.

Foods specially prepared for invalids, babies and young children are excluded.

Cocoa beans

Disposals are the quantities of raw cocoa beans used for grinding in the United Kingdom and exclude re-exports.

Chocolate and sugar confectionery

Medicated confectionery is excluded. Disposals include exports but not re-exports. Stocks are those held by manufacturers only.

Tea

Disposals are the quantities moving into consumption and exclude re-exports. Stocks comprise tea held in public warehouses including the quantity entered for Customs but not yet landed, and amounts held by primary wholesalers.

Raw coffee

Disposals are the total quantities, in terms of raw coffee equivalent, used for all purposes. They include re-exports of raw beans and exports of processed coffee. Stocks comprise raw coffee in public warehouses and in transit to such warehouses and, since 1963, manufacturers' stocks.

Soft drinks

Concentrated (squashes, cordials, etc.) and unconcentrated (table waters, etc.) drinks are differentiated. Glucose and diabetic drinks and fruit juices (including unfermented apple juice but not tomato juice) are included. Production from flavouring compounds is also included but not the production of flavouring compounds as such, nor of soft drinks in solid form; spa waters are not included.

Tobacco

The figures are supplied by HM Customs and Excise.

Warehouse stocks

Stocks figures relate solely to the quantities of imported unmanufactured tobacco actually remaining in the bonded warehouses of the United Kingdom at the end of each period; quantities in transit between ship and warehouse, or in transit between warehouses, are excluded.

Quantities duty-paid

Most of the tobacco smoked in the United Kingdom is imported as leaf tobacco and manufactured into

cigarettes, etc., after arrival. Normally duty is paid, not at the time of importation, but subsequently when the tobacco is removed from bonded warehouses into the tobacco factories. Duty is repaid on exports, etc. and on certain tobacco waste. Duty on tobacco substitutes is chargeable as though they were tobacco, but quantities are not separately identified in the tables.

Unmanufactured leaf

Rates of duty. The quantities shown distinguish between tobacco admitted at the rates applicable to tobacco from the Commonwealth preference area and from countries outside that area.

Manufactured products

These figures show the quantities of tobacco which are imported in manufactured form. They also include Cavendish (i.e. sweetened tobacco) manufactured from imported leaf in bonded premises in the United Kingdom.

Net quantity duty-paid

This figure shows the amount of duty-paid tobacco retained for consumption in the United Kingdom.

Alcoholic drinks

The figures are supplied by HM Customs and Excise, who can supply more detailed information if required.

Spirits

The quantities are given in proof gallons. Proof spirit is spirit which at a temperature of 51°F. weighs 12/13ths of an equal volume of distilled water. It contains 49·28 per cent of alcohol by weight or 57·1 per cent by volume at 60°F. At 70 degrees proof (the typical strength at which most whisky is sold in the United Kingdom) a proof gallon is equivalent to about 8⅔ normal bottles.

Production figures in the *Monthly Digest* show the quantity of spirits distilled from malt and from unmalted grain for beverage consumption. The *Annual Abstract* series includes, in addition, a small quantity of beverage spirits produced by rectification of spirits distilled from molasses; in the financial year ended 31 March 1972 this amounted to about 0·22 million proof gallons a month.

The consumption figures show the net quantities of spirits on which duty was paid, analysed by their description at the time of duty payment. (Repayments are offset against the month in which the revenue is repaid.) The consumption figures for the month of August 1972 *et seq.* are expected to show a variation from the pattern existing before that month due to the fact that until 8 August 1972 British compounded spirits, e.g. gin and vodka, were made from duty paid spirits of other descriptions. (Since that date it has been possible for rectifiers and compounders to manufacture in bond for export and home consumption.) Mature spirits are spirits which have been warehoused for three years or more: delivery of immature spirits for home consumption is restricted to compounded or rectified spirit.

Imported liqueurs: these comprise spirits, whether mature or immature, which at the time of duty payment contain added sweetening materials. A small quantity measured in liquid gallons (instead of proof gallons) is included. (Liqueurs manufactured in the United Kingdom are made from spirit on which the duty has already been paid and HM Customs and Excise therefore are unable to provide figures of the quantity of such liqueurs.)

Other imported immature spirits: comprises mainly neutral spirit imported for compounding into British gin, etc., and includes Geneva and (from 1 September 1966) some types of unsweetened vodka.

Home-made mature spirit: this is almost exclusively whisky.

Home-made immature spirit: this comprises the quantity of plain spirit duty-paid prior to rectification or compounding, *less* the quantity of compounded spirit re-warehoused on drawback after rectification, etc., *plus* the quantity of compounded, etc. spirit duty-paid ex-warehouse for final consumption. The addition of the two columns for immature spirits shown in the *Monthly Digest* table gives a rough indication of the consumption of gin and vodka in the United Kingdom.

Medical spirit: until 8 August 1972 duty-paid spirits used in the manufacture of recognised medical preparations or for scientific purposes were entitled to rebate of any duty in excess of that in force before 1918, when the basic rate was the equivalent of 73·75p per proof gallon. A corresponding reduction of duty was made in respect of spirits contained in imported medical preparations. On 8 August spirit for medical purposes was relieved of duty. This quantity has been included in the *Monthly Digest of Statistics* figure for total spirits consumption but excluded from the consumption figure in the *Annual Abstract of Statistics.*

Beer

Production figures relate to the quantity of Worts produced during the period *less* a standard deduction of 6 per cent, 'worts' being the liquid produced from the mash before fermentation has begun. The average original gravity is now about 1,037 degrees.

Consumption figures show the net quantities of beer, including imported beer, on which duty was paid during the period. Repayments, e.g. on spoilt beer, and drawbacks, are offset against the month in which the revenue is repaid.

The figures in each case are given in bulk barrels of 36 gallons irrespective of the gravity at which they are brewed. Duty is payable on imported beer at the time of import; on home produced beer it is normally payable in the month following the month of production.

Imported wine

The consumption figures show the net quantities duty-paid in each month. The classification between heavy wines and light wines is based on the proof spirit content: light wine means wine not exceeding 27 degrees proof spirit in the case of wine entitled to Commonwealth preference rates of duty or 25 degrees in the case of other wine. Fortified wines such as sherries, port, etc. are normally heavy wines and table wines are light.

British wine

This is wine commercially produced by fermentation from sugar and fruit (including imported grape must) and in 1956 was widened to include cider and perry of artificially high strength.

The consumption figures are the net quantities duty-paid during the period.

Household food expenditure and consumption

The sample

In the course of a year the National Food Survey investigates the food budgets of about 8,000 households in 44 parliamentary constituencies, selected so as to be representative of Great Britain as a whole. In each household surveyed the housewife keeps a record for one week of all food purchased or entering the house without payment. A more detailed description of the

sampling methods of the National Food Survey is given in the Annual Report for 1972.

Free supplies (garden, allotment produce, etc.) are included in the consumption figures with the result that average prices or values derived from the data published in the *Monthly Digest of Statistics* may be understated. (Estimates of average prices paid by housewives for over a hundred and fifty food items, however, are to be found in the Annual Reports of the National Food Survey Committee.)

Household

A group of persons living in the same dwelling and sharing common catering arrangements. The size of household is defined in terms of the number of persons who spend at least four nights in the household during the week of survey *and* also have at least one meal a day from the household food supply on at least four days. The head of the household and the housewife are regarded as persons in *all* cases.

Old age pensioner households

Households in which at least three-quarters of the total income is derived from national insurance retirement or similar pensions and/or supplementary pensions or allowances paid in supplementation or instead of such pensions. Such households will include at least one person over the national insurance retirement age.

Adult

A person aged 18 years or over.

Child

A person under 18 years of age.

Food purchased

Quantities of all foods purchased during the week for consumption in the home (but including *purchases* of milk at school). The Survey excludes food eaten outside the home (except packed meals prepared at home), chocolate and sugar confectionery, soft drinks, alcoholic drinks, vitamin tablets, fish liver oils, and food obtained specifically for consumption by domestic pets. For a few minor miscellaneous items, expenditure is recorded, but not the quantity (e.g. artificial sweeteners, flavourings and colourings, etc.).

Free food

Quantity of food entering the household without payment for consumption during the Survey week. Milk supplied under the Milk in Schools Scheme is included although it does not actually enter the household. Food grown or produced by the household and stored in bulk is recorded only when it is withdrawn from store.

Consumption

Averaged over a sufficiently large number of households and a sufficiently long period, the average quantity of food purchased *plus* the quantity of 'free' food will equal the average consumption if there is no general change in the level of larder stocks.

Classification of foodstuffs

Other milk

Includes condensed milk, dried milk, yoghourt, goats' milk, skimmed milk (liquid and dried) and buttermilk.

Preserves

Include jams, jellies and curds, marmalade, syrup, treacle, honey and honey spreads.

Other cooked and canned meats

Include corned meat; luncheon meat; pressed or cooked beef, veal, mutton, lamb, pork; veal and ham; tongue; brawn; meat puddings and pies; ready meals (but not frozen).

Other meat products (not canned)

Include meat pies; sausage rolls; pasties; puddings; ready meals (includes frozen convenience meat products).

Fish, fresh and processed

Includes smoked, dried, salted, cooked; pastes, spreads, etc.

Fish and fish products, frozen

Include frozen white fish (cod, haddock, plaice, etc.) and frozen convenience fish products (e.g. fish fingers).

Fresh green vegetables

Include fresh cabbages, brussels sprouts, cauliflower, leafy salads, peas, beans, spinach, sprouting broccoli and kale.

Other fresh vegetables and frozen vegetables

Include root vegetables; cucumbers; mushrooms; frozen vegetables and frozen vegetable products (including potatoes).

Potatoes

Include New and Old potatoes, but not canned potatoes, chips, crisps and other potato products.

All other fresh fruit

Includes citrus fruit, pears, stone fruit, soft fruit, bananas, rhubarb, melons, etc.

Bread

Includes rolls, Vienna and French bread, barley bread, fruit bread, diabetic bread, rye bread and slimming bread.

All other foods (for which expenditure only is shown)

Includes cream, rabbit, hare, horse meat, etc.; cooking oils, suet, dripping etc.; canned vegetables other than pulses, potatoes or tomatoes; dried vegetables; processed potatoes and vegetable products other than frozen; frozen fruit, fruit juices; canned milk puddings, rice, certain other cereal foods and products (including frozen); bean and ground coffee, coffee essences, branded food drinks; baby foods; spreads, dressings; dehydrated and powdered soups; bones, meat and vegetable extracts, table jellies; condiments, herbs, flavourings, gravy powders, spices, curry powders; ice cream bought to serve as part of a meal.

VI. PRODUCTION, OUTPUT AND COSTS

Index of industrial production

This index is prepared by the Central Statistical Office in collaboration with the Statistics Divisions of government departments. It has been calculated with 1970 as base year for each month from January 1968. Its purpose and methods of compilation are described in terms of the 1963-based index in Studies in Official Statistics No. 17: *The index of industrial production and other output measures* (HMSO November 1970). A list of the series and weights used for the 1970-based index will appear in *Economic Trends* early in 1974 and a revised version of the fuller description given in Studies in Official Statistics No. 17

will be published in the course of 1974. Quarterly seasonally adjusted series from 1952, and annual series from 1948, reclassified as far as possible on to the 1968 Standard Industrial Classification, were published in *Economic Trends*, November 1973.

The index is intended to provide a general measure of monthly changes in the volume of industrial production in the United Kingdom. Mining and quarrying, manufacturing, construction, and gas, electricity and water are included; but agriculture, trade, transport and finance and all other public and private services are excluded. The index covers the production of both capital goods and consumption goods for the home market, for export and for the armed forces.

The index is a weighted arithmetic average. In combining the individual production series, the method used has been to give each industry a Weight proportional to its net output in 1970 derived from the Census of Production for that year. The net output figures given in the published reports of the Census have been adjusted by deducting the estimated amounts paid for services rendered to the industries by firms outside the field covered by the index, such as advertising and insurance, since these represent production in the 'services' sector of the economy.

Although some of the series used are quarterly, the majority are for weeks or calendar months. Many of the series represent physical quantities produced. For some industries, e.g. most of the engineering groups, construction, clothing, china and glassware, series of the value of production adjusted for changes in prices are used. For two industries for which output figures are not available, alternative series, based on numbers of persons employed, have been used.

The level of production is expressed as a percentage of the average monthly production in 1970. To ensure comparability between different months, adjustments have been made (where the basic figures refer to calendar months) for variations in the number of days in each month, excluding for each industry those which are not normally working days, for example, Sundays and Saturday afternoons. The index thus compares the average weekly rates of production in the different months. It reflects, however, any change in production resulting from public and other holidays and from seasonal factors, for which no adjustments have been made.

Adjustments for seasonal variations

Indices which have been adjusted for holidays and other causes of seasonal variations have also been prepared. These series are designed to eliminate normal month to month fluctuations and thus to show the trend more clearly.

Adjusting for seasonal variation is more hazardous than adjusting for the varying number of working days in a month. It is to some extent dependent on judgment and interpretation and is partly based on the assumption that the seasonal pattern of recent years will recur in the year ahead. Since the seasonal pattern may be changing, the month to month variations have to be kept under review and periodically the seasonal adjustment factors are reassessed.

The estimates of seasonal movement are obtained in two steps. The indices of production as published are already adjusted for differences in the number of days in each month and the first step is to estimate the movement in the indices arising from regular public holidays. The indices are adjusted to remove the effect of holidays, and further adjusted so that the annual average is equal to the average of the unadjusted indices.

The second step is to determine the remaining seasonal variations by averaging percentage deviations in each month from a succession of moving averages. These averages are used to calculate a seasonal adjustment factor for each month; this may change from year to year if the seasonal pattern is altering. The method of seasonal adjustment which is currently being used for this index is the X–11 variant of the Census Method II Seasonal Adjustment Program which is described in *Technical Paper No. 15* of the US Department of Commerce, Bureau of the Census.

These seasonally adjusted series of indices should not be regarded as in any way more reliable than the unadjusted, and are not intended to replace them. The original unadjusted series are the measures of changes in the weekly rate of production from month to month while the seasonally adjusted series, which exclude regularly recurring fluctuations, are designed for the sole purpose of making the trend more readily discernible.

Industrial classification

The industrial analysis of the index is in conformity with the *Standard Industrial Classification* (HMSO 1968) to which reference should be made for details of the composition of each industrial group.

Market sector classification

These groupings combine the output of industries which meet broadly similar categories of demand. They were introduced and described in *Economic Trends*, November 1973. It should be noted that movements in the output of these sectors will not correspond with movements in similar categories of expenditure; because, for example, not all of the output of an industry which produces consumer goods will form part of consumers' expenditure in the United Kingdom since part of the output is likely to be exported. Similarly, not all of the output of investment goods will contribute to capital formation.

Output per head

For this series output for the economy as a whole is the output-based measure of the gross domestic product. This series is used to achieve consistency with the industrial analysis for which the measures of output are the constituent series of the index of production. Output per head is defined as the output per person employed i.e. the denominator includes employees, employers and self-employed persons, including both full-time and part-time workers as full units.

Indices of labour costs

The index of total home costs per unit of output is the ratio of the expenditure-based gross domestic product at current and constant prices. In the series for both wages and salaries and labour costs the denominator is the income-based gross domestic product at current prices deflated by the series for total home costs.

Labour costs include not only wages and salaries but also employers' national insurance contributions, selective employment tax *less* premiums and refunds, contributions to the Redundancy Fund and to superannuation schemes, pension funds, etc.

Both the series for output per head and labour costs were first published in *Economic Trends* (October 1968) and the *Employment and Productivity Gazette* (October 1968). The article accompanying the series describes in greater detail the construction and significance of the figures.

From January 1972 the annual indices of wages and salaries and labour costs per unit of output for certain industrial groupings are replaced by a monthly index of wages and salaries per unit of output in manufacturing industries prepared by the Department of Employment. The series was first published on page 360 of the *Department of Employment Gazette* (April 1971) where the construction and significance of the figures are described in detail. The annual series for the selected industrial groupings will continue to appear in the *Department of Employment Gazette*.

VII. ENERGY

Inland energy consumption: primary fuel input

Coal

Consumption of all types of coal both bituminous and anthracite. Imported coal and slurry are included.

Petroleum

Deliveries of petroleum products for inland consumption as fuels. Petroleum gases are included.

Natural gas

Imported and indigeneous natural gas and colliery methane piped to the surface and disposed of. Natural gas supplied for non-energy purposes is included.

Nuclear electricity

Electricity generated by public supply nuclear power stations together with electricity generated for public supply from other nuclear sources.

Hydro electricity

Electricity generated by public supply and industrial hydro stations (excluding pumped storage stations).

Coal equivalent

The conversion factors used are:

1 ton of petroleum = 1·7 tons of coal
280 therms of natural gas = 1 ton of coal

Nuclear and hydro electricity are converted to coal equivalent according to the amount of coal that would be needed to produce the same quantities of electricity at the efficiency of contemporary steam stations.

Temperature corrections

The corrections used are:

Temperature correction per degree centigrade	
Coal	2·1%
Petroleum	0·7% (June–Aug.)
	1·8% (Sept.–May)

The adjusted total inland energy consumption series includes temperature corrections for coal and petroleum. The figures for consumption of other primary fuels are not corrected for temperature.

Production and net arrivals of principal fuels

Coal

All types of coal both bituminous and anthracite. Slurry, whether recovered by the National Coal Board or by other operations, is included.

Crude petroleum and natural gas

Includes all indigenous production whether on land or on the United Kingdom part of the Continental Shelf. Natural gas includes colliery methane piped to the surface and disposed of.

Nuclear and hydro electricity

See notes above.

Solid fuels

Include gas and hard coke, coke breeze, solid fuels produced at low temperature carbonization plants and briquetted and other solid fuels.

Refined petroleum

Petroleum products produced at UK refineries for use as fuels. Refinery fuel is included.

Gas

Gas available from the public gas supply system including gas made together with reformed purchased gas and gas purchased and re-sold as such. Natural gas is included whether supplied for energy purposes or not.

Electricity

The total electricity generated by the public electricity supply industry, transport power stations and industrial hydro stations together with the electricity generated for public supply from other nuclear sources.

Net arrivals

The figures are based on arrivals and shipments as recorded by the fuel producing industries except that coal imports are notifications by importers to HM Customs.

Inland energy consumption: heat supplied

Total primary energy

This is the sum of the thermal contents of primary fuels consumed by secondary fuel producers and those consumed directly by final users and primary fuel producers. The difference between this total and the total thermal content of all fuels consumed by final users comprises:

(*a*) use of fuels by collieries (other than for generation of electricity for sale) and oil refineries and by secondary fuel producers for other than conversion

(*b*) losses by secondary fuel producers in conversion and distribution and net exports and stock changes of secondary fuels.

The thermal content of primary fuels consumed by secondary fuel producers consists of their thermal inputs of coal, petroleum and natural gas *plus* the thermal equivalent of the coal which would be required to produce nuclear and hydro electricity as defined above under 'Coal equivalent'.

Final consumption

Detailed definitions of the final consuming sectors are given in *United Kingdom Energy Statistics* (HMSO) prepared by the Department of Trade and Industry.

Conversion to therms

In expressing fuel consumption in therms, no conversion is necessary for gases (except petroleum gases). Electricity is converted at 29·3 kWh = 1 therm. The estimated gross calorific values used to convert the statistics for petroleum gases and solid and liquid fuels are published in *United Kingdom Energy Statistics*.

Coal: production

Deep mined coal

Production figures relate to saleable output, i.e. the sum of the coal sold commercially, consumed by the colliery and supplied to ancillary works, and disposed of free and at concessionary prices, *plus* the increase or *less* the decrease in colliery stocks of saleable coal. Slurry and coal recovered from colliery tips by the National Coal Board is included in deep mined production when sold or consumed at the colliery. Slurry recovered other than by the National Coal Board is included in total production only.

Opencast coal

Coal which is not mined but is obtained from deposits near the surface mainly by contractors. Screening and washing losses are excluded.

Coal: imports

The figures are derived from returns made by importers to HM Customs and Excise.

Mined coal: manpower and productivity

Figures for manpower, absence, output per manshift and recruitment and wastage relate only to mines operated by the National Coal Board.

Wage earners on colliery books

Workers in industrial grades employed at collieries and in activities connected with the getting, raising, handling, preparation and transport of coal, or other minerals got with coal, up to the point of despatch to consumers outside the colliery. These activities include coal preparation plants, pithead baths, gas works and power stations forming part of the colliery, and landsale depots forming part of the colliery for accounting purposes, but exclude central workshops, internal railways and tramways and central power stations. Industrial grade workers include colliery underofficials up to the rank of overman but exclude undermanagers, other administrative staff and clerical workers.

Workers absent with good reason and known to be intending to return are retained on colliery books up to fifteen months. Workers absent without good reason are normally removed from the books at the end of the third consecutive week of absence.

Absence

Voluntary and involuntary non-appearances expressed as percentages of possible appearances. Possible appearances are those that wage-earners on colliery books could have made during their normal working week but excluding attendances at training classes and other non-operational activities and shifts lost through recognised holidays, disputes and other causes of stoppages of work.

Output per manshift

The output of saleable coal from revenue working divided by the total number of manshifts worked on revenue account.

Recruitment

The number of men signed on at collieries during the period excluding men known to have transferred from another colliery without a break in their service.

Wastage

The number of men struck off colliery books during the period *less* the number of men excluded from recruitment as transfers from other collieries.

Coal: consumption

Collieries

Coal used for boilers, colliery power stations and other purposes.

Power stations

Coal used for all purposes at power stations of the public electricity supply and of railway and other public transport undertakings.

Gas works

Coal used for all purposes at gas works making gas for public supply.

Coke ovens

Coal carbonised, consumed for other purposes or lost in cleaning at coke ovens.

Other conversion industries

Consumption of coal at low temperature carbonisation plants and briquette works.

Industry

Coal used for all purposes at other industrial establishments. From October 1973, the figures relate to colliery disposals.

Transport

Coal used for all purposes by railways, dock and harbour undertakings, inland waterways and for coastwise bunkers.

Domestic

House coal: Prior to April 1973, the figures relate sales by merchants mainly to domestic consumers and coal supplied by collieries free of charge or at reduced prices to miners and their dependants, officials, clerks and other salaried persons employed at mines, miners' welfare bodies and other authorised persons and institutions. A small proportion of merchants' sales of house coal was to shops, offices, hotels, etc. and to small industrial consumers. From April 1973 the figures relate to colliery disposals.

Anthracite and dry steam coal: Prior to April 1973 the figures relate to sales by merchants mainly to domestic consumers. From April 1973 figures are of colliery disposals.

Miscellaneous

Disposals from collieries to national and local authorities, commercial and non-industrial establishments, shipments to the Channel Islands and distribution losses.

Overseas shipment

Actual shipments notified by the National Coal Board.

Coal: stocks

Distributed stocks are those held by the fuel conversion industries, and by railways and the armed services.

Undistributed stocks are coal held at collieries, opencast sites and central stocking grounds. Stocks in Northern Ireland are excluded.

Gas: public supply

The public gas supply system consists of the British Gas Corporation and the gas supply undertakings in Northern Ireland.

Natural gas supply

This is the net total natural gas input into the distribution system after stock changes at British Gas Corporation installations have been taken into account. Indigenous supplies include those purchased by the British Gas Corporation from operators on the United Kingdom part of the Continental Shelf as well as from those operating on land in this country.

Fuel used for all purposes

The coal and oil used by the gas supply industry for gas making and for all other purposes.

Gas sent out

Town gas includes gas made together with manufactured and natural gas purchased by the gas supply industry and reformed. Natural gas for direct supply is not reformed and includes gas supplied for non-energy purposes. Gas sent out differs from gas available because of stock changes and consumption in the supply industry's works.

Electricity: public supply

The public supply electricity industry comprises the Central Electricity Generating Board and Area Electricity Boards in England and Wales, the North of Scotland Hydro Electric Board, the South of Scotland Electricity Board and electricity supply undertakings in Northern Ireland.

Primary fuel demand

The factors used for conversion of primary fuels to coal equivalent are given under 'Coal equivalent' above.

Electricity generated and electricity sent out

The difference between these represents the electricity used at the works for lighting and auxiliary power and for pumping at pumped storage stations.

Total electricity available

The total quantity of electricity distributed through the public supply system and comprises electricity sent out, purchases from industrial producers (mainly nuclear power stations of the United Kingdom Atomic Energy Authority and British Nuclear Fuels Limited) and net imports from France. The figures for England and Wales take account of net exchanges with Scotland.

Electricity sold

Sales are less than total electricity available because of losses in transmission and consumption by the supply industry's offices and showrooms which is not included in sales. The sales figures included for England and Wales contain adjustments to billed sales to allow for estimated useage remaining unread at the end of each period. Those included for Scotland and Northern Ireland are on a billed basis throughout.

Output capacity

The maximum continuous rating of the generators after allowing for station consumption and any limitations in the capacity of prime movers. The change in output capacity differs from the amount of new plant brought into commission, not only because of scrapping of old plant but also because of re-rating of plant continuing in use.

Maximum load

The simultaneous maximum load in Great Britain together with the maximum load met during the period, although not necessarily at the same time, in Northern Ireland. Simultaneous maximum load is defined as the maximum load on the grid at any one time *plus* the load on stations not connected to the grid. It is measured by the sum of the maximum load met by the Central Electricity Generating Board and the loads met at the same time by the two Electricity Boards in Scotland. Annual figures are the maximum occurring near the end of the year or early in the following year.

Sales of gas and electricity

Electricity sales are as defined above. Those for gas include adjustments to the quantities billed to allow for the estimated consumption remaining unread at the end of each period. The figures of gas supplied to the iron and steel industry are based on information provided by that industry.

Petroleum

Refinery production

Crude and process oils comprise all feedstocks, other than distillation benzines, for treatment at refinery plants. The figures do not cover the further treatment of finished products for special grades such as in distillation plants for the production of industrial spirits.

Inland deliveries into consumption

Deliveries of all petroleum products in the United Kingdom and the Channel Islands including benzole and other petroleum substitutes marketed by the petroleum industry. Coal tar fuels and natural gas are excluded. Otherwise, the figures are inclusive of the petroleum industry's own use.

Gas/diesel and fuel oils used in coastal and fishing craft are included in inland deliveries, but deliveries under bunker contracts for ships engaged in foreign trade are excluded.

Deliveries of motor spirit to dealers comprise deliveries to garages and other retailers. Commercial consumers are those receiving direct deliveries for use in their own businesses.

Products used as fuel

Refinery fuel—all petroleum products used as fuel at refineries.

Propane—hydrocarbon containing three carbon atoms, gaseous at normal temperature but generally stored and transported under pressure as a liquid. Used for domestic heating and cooking and for industrial purposes.

Butane—hydrocarbon containing four carbon atoms, otherwise as for propane. Additional uses—as a constituent of motor spirit to improve volatility and as a chemical feedstock.

Other gases for gas works—ethane and refinery gases resulting from the processing of crude petroleum.

Naphtha (light distillate feedstock) for gas works—petroleum distillate boiling predominantly below 200°C.

Aviation spirit—specially blended light hydrocarbons intended for use in aviation piston-engined power units.

Wide-cut gasoline—light hydrocarbons intended for use in aviation gas-turbine power units.

Motor spirit—blended light petroleum distillates used as a fuel for spark-ignition internal combustion engines other than aircraft engines.

5 star grade—all finished motor spirit with an octane number (research method) not less than 100.

4 star grade—all finished motor spirit with an octane number (research method) not less than 97.

3 star grade—all finished motor spirit with an octane number (research method) not less than 94.

2 star grade—all finished motor spirit not intended for marketing as 5, 4, or 3 star grades.

Aviation turbine fuel—specially refined kerosine intended for use in aviation gas turbine power units.

Burning oil (*kerosine*)—refined petroleum distillate intermediate in volatility between motor spirit and gas oil, used for lighting and heating. Excluding distillates which are included under white spirit and kerosine used for lubricant blends.

Vaporizing oil—blended kerosine-type petroleum distillate used in certain types of spark-ignition engines such as those used for agricultural purposes, stationary engines and boats.

Gas/diesel oil:

(*a*) *Derv* (Diesel Engined Road Vehicle) *fuel*—gas/diesel oil suitable for use in high-speed, compression-ignition engines.

(*b*) *Gas oil*—petroleum distillate having a distillation range intermediate between kerosine and light lubricating oil. Used as a burner fuel in heating installations, for carburetting water gas, as a wash oil in the extraction of benzole from coal gas and for industrial gas-turbines.

(*c*) *Marine diesel oil*—heavier type of gas oil suitable for heavy industrial and marine compression-ignition engines.

Fuel oil—heavy petroleum distillates or petroleum residues or blends of these used in furnaces for the production of heat or power. Excluding fuel oil for grease making or lubricating oil and fuel oil sold as such for road making.

Products not used as fuel

Feedstock for petroleum chemical plants—all petroleum products intended for use in the manufacture of petroleum chemicals. (A deduction has been made from these figures equal to the quantity of feedstock used in making the conventional petroleum products which are produced during the processing of the feedstock. The output and deliveries of these conventional petroleum products are included elsewhere as appropriate.)

White spirit—a highly refined distillate with a boiling range of about 150° to 200°C used as a paint solvent and for dry cleaning purposes, etc.

Industrial spirits—refined petroleum fractions with boiling ranges up to 200°C dependent on the use to which they are put—e.g. seed extraction, rubber solvents, perfume, etc.

Lubricating oils (*and greases*)—refined heavy distillates obtained from the distillation of petroleum residues. Includes liquid and solid hydrocarbons sold by the lubricating oil trade, either alone or blended with fixed oils, metallic soaps and other organic and/or inorganic bodies.

Bitumen—the residue left after the production of lubricating oil distillates. Used mainly for road making and building construction purposes. Includes other petroleum products, creosote and tar mixed with bitumen for these purposes and fuel oil sold as such for road making.

Paraffin wax—includes paraffin wax, which is a white crystalline hydrocarbon material of low oil content normally obtained during the refining of lubricating oil distillate, paraffin scale, slack wax, microcrystalline wax and wax emulsions. Used for candle manufacture, polishes, food containers, wrappings, etc.

VIII. CHEMICALS

Fertilizers

Natural organic fertilizers are excluded from the statistics. Figures are of manufactured fertilizers. The nutrient content figures are free of double counting of materials at different stages of manufacture.

Manufactured fertilizers may be straight (i.e. containing only one of the three primary nutrients—P_2O_5, phosphate; N, nitrogen; and K_2O, potash) or compound (i.e. containing either two or three of these primary nutrients). The figures of production and home deliveries of compound fertilizers (including concentrated complete fertilizers) are expressed in terms of total weight. Home deliveries of compound fertilizers (to merchants and farmers) include imported fertilizers.

Figures of the production and deliveries of the three primary fertilizers are expressed in terms of nutrient content—phosphate, nitrogen and potash—and are as follows:

Phosphatic fertilizers (P_2O_5)

The production figures cover superphosphate, triple-superphosphate, ground basic slag (slag ground in the United Kingdom from home produced and imported raw slag), ground phosphate (imported phosphate rock ground in the United Kingdom), treated phosphate and concentrated complete fertilizers.

The home deliveries figures cover the fertilizers mentioned above, delivered either straight or in compound form to merchants and farmers for final use. Imported fertilizers are, however, included.

Nitrogenous fertilizers (N)

Production figures cover lime ammonium nitrate, concentrated complete fertilizers, nitrogen potash, ammonia liquor, urea and ammonium nitrate produced for use as fertilizers at home and abroad; the production of ammonium sulphate is also covered, although in this case exports may include some element of industrial usage.

The home deliveries figures cover the fertilizers mentioned above, *plus* imported fertilizers (i.e. Chile nitrates of soda and potash, ammonium phosphate, cyanamide, ammonium sulphate nitrate, ammonium sulphate, lime ammonium nitrate and other compound fertilizers), whether for final use or for use in the manufacture of compounds.

Potash fertilizers (K_2O)

The home deliveries figures cover imported material delivered to first buyers whether for final use or for use in the manufacture of compounds.

Liming materials

The figures show tonnages included in applications for Exchequer contribution under the Agricultural Lime Schemes. They relate to all forms of calcium oxide, calcium hydroxide and calcium carbonate, that is, lump, kibbled and ground burnt lime, hydrated lime, ground limestone, lump, screened and ground chalk, calcareous sea sand, factory waste, etc., which are commonly used for the liming of agricultural land.

Sulphur and sulphuric acid

Sulphur, pyrites, etc.

The figures relate to acid sulphur, pyrites, spent oxide, anhydrite and zinc concentrates for use in the manufacture of sulphuric acid. Figures for acid sulphur include recovered sulphur and the sulphur content of filter cake, H_2S and ferrous sulphate.

Stocks of acid sulphur and pyrites include quantities held by consumers and in transit in the United Kingdom. Government stocks are excluded. Stocks of spent oxide are the quantities at acid works.

Sulphuric acid (as 100 per cent acid)

Consumption figures include recovered sulphuric acid.

Synthetic dyestuffs, colours, paint and varnish

Synthetic dyestuffs

The figures exclude dyestuffs intermediates, synthetic organic pigments (pigment dyestuffs, toners, colour lakes), vegetable dyes and tanning extracts. They include the following synthetic dyestuff groups: acid; azoic; basic; direct; disperse; mordant; sulphur; solvent; and vat (insoluble and soluble).

Quantities of vat (insoluble) and disperse dyestuffs are in terms of 100 per cent pure dye content; quantities of all other types of dyestuffs are in terms of domestic standard powder strength (paste adjusted to the tinctorial equivalent of the powder strength).

Colours

The figures show sales by colour makers, other than paint manufacturers, of pigment dyestuffs (including toners), inorganic pigments and other colours (including ochres and earth colours, colour lakes and synthetic oxides of iron).

For pulp colours, the weight included is the amount of dry pigment contained in the pulp; for pigment dyestuffs, weight is given in terms of 100 per cent pure dye content.

Paint and varnish

The figures relate to sales by manufacturers employing 25 or more persons at the beginning of that year. Figures for cellulose-based paints, varnishes and lacquers include clear solutions and pigmented cellulose paints, while the figures for varnishes, lacquers and stains (other than cellulose), relate to spirit-based varnishes, lacquers and stains only. Other includes oil and synthetic based non-aqueous paints; marine paints (anti-fouling and anti-corrosive paints and compositions for use below water-line only); bituminous paints.

From January 1971, figures are based on a new quarterly enquiry.

Synthetic resins and plastics materials

These statistics relate to thermosetting and thermoplastic materials; in general terms, the former have the property of hardening on the application of sufficient heat and of not softening on the further application of heat; the latter have the property of softening on the application of heat and of hardening when cooled.

Figures are given—for thermosetting and for thermoplastic—separately for synthetic resins and for plastics materials derived from these primary resins.

Thermosetting resins

This series comprises alkyds, aminoplastics, phenolics and cresylics, unsaturated polyesters, epoxide resins and other thermosetting resins including polyurethanes and casein plastics.

Thermoplastic resins

This series comprises cellulose plastics, styrene polymers and co-polymers, polyolefines, polyvinyl acetate, coumarone-indenes, rosin ester gums and other thermoplastic resins including acrylics; polyvinyl chloride polymers; polyamides and polytetrafluorethylene.

Resins made for conversion into synthetic fibres are excluded, though monofilaments not meant for textiles are included.

The figures of production are free of double counting; the figures of stocks exclude materials purchased for further processing and relate only to goods held for use or further processing in the establishments in which produced.

Other miscellaneous products

Industrial ethyl alcohol

Figures show the quantities of ethyl alcohol produced for industrial purposes; industrial ethyl alcohol is distilled from molasses or derived from other processes. A small quantity of molasses spirit is used in beverage spirit production. This amounted to about 0·23 million proof gallons a month in the year ended 31 March 1973, and has already been deducted from the figures shown.

Soap

Figures relate to production of manufacturers employing 25 or more persons and represent production for all purposes, including export of all types of soap except dentifrices. Lathering shaving soap and cream and soap shampoos are included.

Synthetic detergents

The figures relate to sales of detergents by the larger United Kingdom manufacturers for use primarily for washing purposes. Surface-active material for use as disinfectants, wetters, spreaders and emulsifiers is excluded. Detergent precursors, e.g. dodecyl benzene, and abrasive and scouring preparations containing synthetic detergents are also excluded. The figures are free of double counting of materials at different stages of manufacture.

IX. METALS, ENGINEERING AND VEHICLES

Iron and steel

Iron ore

The ferrous content of home ore is about 28 per cent compared with an average of about 62 per cent for imported ore.

Pig iron

Blast furnace iron and blast furnace ferro-alloys.

Consumption in steel works and steel foundries, refined iron works and iron foundries. Excludes consumption in iron foundries of refined and cylinder iron, made otherwise than in blast furnaces.

Iron castings

Weight of iron castings in the black state (up to and including fettling).

Scrap

Consumption of scrap is the quantity of steel and cast iron scrap (including scrap arising in own works) consumed in steel melting furnaces and converters.

Crude steel production

Steel ingots (including steel for continuously cast blooms, billets and slabs) and steel for castings.

Crude steel stocks

Ingots and the ingot equivalent of semi-finished and finished steel held at producers' works, excluding stocks held by consumers and merchants.

Net deliveries of finished steel

Includes imported steel, but excludes all material for intra-industry conversion; exports are included.

Consumers' and merchants' stocks of finished steel

Finished steel from all sources, i.e. produced in the United Kingdom or imported.

Net deliveries of finished steel from UK production

Heavy rails and accessories

Before 1973 heavy rails are 40 lbs and over per yard for home trade and 36 lbs and over per yard for the export trade. From 1973 heavy rails are 20 kg and more per metre. Other rails are included in other light rolled products.

Other heavy rolled products

Before 1973 angles, tees and sections over 102 united mm (4 in) and channels over 76 mm (3 in) web; joists and beams 76 mm web and over; rounds, squares and hexagons 76 mm and over, and flats over 127 mm (5 in) wide. From 1973 the dimensions are 80 mm web and over for joists, beams and channels, 80 mm measured on the outer length of the longest leg for angles, tees and sections; rounds, squares and hexagons 80 mm and over across face, and flats over 150 mm wide.

Wire rods

Rods and bars in coil, excluding bars and rods for reinforcement.

Other light rolled products

Rods and bars for reinforcement; arches, light rails and accessories; other light rolled sections and hot rolled bars; bright steel bars, of dimensions less than those given for heavy rolled products.

Hot and cold rolled strip

The product of mills capable of rolling material up to a maximum of 610 mm (24 in) in width; (600 mm from 1973).

Sheets coated and uncoated

Includes coiled and cut material.

Tinplate and blackplate

Includes tin-free steel and blackplate (uncoated tinplate milled for sale as such).

All other products

Tyres, wheels, axles and rolled rings; forgings (other than drop forgings), and castings.

Non-ferrous metals

Stocks of non-ferrous metals relate to consumers' stocks, including stocks held by consumers in London Metal Exchange warehouses and other privately held stocks, but exclude all government held stocks. Stocks in transit in the United Kingdom are included throughout.

Virgin aluminium

Including virgin alloys.

Consumption represents despatches to home consumers.

Secondary aluminium

Statistics include virgin content used in production of secondary alloys.

Consumption represents despatches to home consumers and exports, and includes virgin content.

Copper

Production of virgin refined copper includes only primary copper refined from imported blister. Secondary refined copper includes copper refined from scrap and small quantities of copper smelted and refined from ores but excludes remelted copper. Consumption of refined copper (virgin and secondary) is as reported by consumers.

Consumption of copper in scrap is obtained by the difference between copper content of output and consumption of refined copper. Monthly figures of scrap consumption are particularly affected by variations in the amount of work in progress and should be used with caution.

Production of wrought semi-manufactures includes wire, rods, bars, sections, sheet, strip, plate and tubes of copper and copper alloys (gross weight of alloys in the *Monthly Digest*; copper content in the *Annual Abstract*).

Production of castings includes both copper and copper alloys (gross weight of alloys).

Stocks of refined copper include copper in wire bars.

Zinc

Slab or virgin zinc in unwrought zinc, excluding re-melted zinc.

Other zinc (metal content) includes not only scrap (zinc content of brass and other alloy scrap, re-melted and scrap

zinc metal and zinc content of residues), but also partially refined metal not classified as slab zinc and concentrates used directly in manufacturing processes such as galvanizing (but not used in zinc production). These concentrates are also included in the figures of consumption of concentrates for smelting and direct use.

Lead

For English refined lead the series relate to soft lead refined from secondary and scrap material, and from domestic ores, including that refined by consumers for their own use.

Home consumption of imported virgin lead includes pig lead refined from imported bullion and lead imported for processing on toll. Stocks of imported virgin lead include base bullion awaiting refining.

The consumption of scrap lead includes re-melted lead and secondary antimonial (hard) lead recovered from scrap, whether for sale or own use, when used by the ultimate consumer.

Engineering and allied products

This table presents statistics collected by the new Business Statistics Office Quarterly Inquiry system and relates to those products classified to Orders VII–XII of the Standard Industrial Classification 1968. This table is designed to supersede those previously published in the *Monthly Digest* under the Mechanical, instrument and electrical engineering deliveries and Engineering products headings. The new figures are not directly comparable with the above-named series.

The statistics given in the table are identical to those already published in *Business Monitors* and, as such, relate to total sales of those products by firms classified to the Mechanical, instrument and electrical engineering industry but also include sales of these products by firms classified to other industries.

The statistics are collected from those firms who employ 25 or more employees except for MLH 353 (Surgical instruments) where the cut-off is 11, the whole of Order XII, where cut-off is 20, except for MLH 392 (cutlery) and for MLH 396 (Jewellery) where the cut-off is again 11.

Mechanical, instrument and electrical engineering seasonally adjusted volume index numbers

These tables provide seasonally adjusted volume index numbers of total, home and export sales, orders on hand and net new orders of the industries classified to Orders VII, VIII and IX of the Standard Industrial Classification 1968, excluding the ordnance and small arms industry. The basic data for the index numbers of home sales is obtained by subtracting export from totals and, in a similar manner, data for net new orders is derived from current sales and the change in orders on hand. Seasonally adjusted total indices are obtained by combining the seasonally adjusted home and export series.

The indices are based upon the results of a monthly enquiry which began with information for January 1972. Establishments with 100 or more employees (200 in Order IX) are included and estimates are made for non-respondents. The estimation procedure is described in more detail in two articles; one in *Economic Trends* for April 1972, and the other in *Statistical News* for November 1972. The first of these two references also describes the way in which it has been possible to use the results of an earlier monthly inquiry to produce comparable series back to 1969.

Domestic electrical appliances

Detailed information for domestic electrical appliances is not collected by government departments. The statistics shown have been contributed by the Association of Manufacturers' of Domestic Electrical Appliances.

Electric lamps (complete)

The figures cover filament lamps and discharge lamps but exclude discharge tubes not for lighting (for example, neon, etc., signs for advertisement and similar purposes), arc lamps and flashbulbs for photographic purposes, and discharge lamps of 5 watts or under.

By General lighting service lamps is meant tungsten and carbon filament lamps of over 28 volts.

Motor vehicles

The production figures for individual months are totals for periods of four or five weeks.

Passenger cars

Taxis, estate cars and station wagons are included but three-wheeled vehicles are excluded. Chassis delivered as such by motor manufacturers are included.

Commercial motor vehicles other than omnibuses, coaches and trolleybuses

The following types of vehicles are included: lorries and vans, ambulances, wheeled tractors for road haulage and special-type vehicles other than armoured fighting vehicles for the Services. Chassis delivered as such by motor manufacturers are included. Battery-driven electric road vehicles and three-wheeled vans are excluded.

The classification is according to carrying capacity up to December 1962; thereafter by gross vehicle weight.

Omnibuses, coaches and trolleybuses

The figures include complete single-deck omnibuses and coaches designed with eight to fifteen seats, excluding the driver's. Chassis fitted with bodies of this type by other manufacturers are excluded. The figures for other omnibuses, coaches and trolleybuses refer to the production of chassis with or without bodies mounted.

X. TEXTILES AND OTHER MANUFACTURES

Index numbers of orders and deliveries in the textile and clothing industries

Figures are obtained for the made-up clothing industry and from the main textile industries in respect of deliveries and either orders on hand or net new orders. For a number of industries the estimates included are based on sample inquiries. Deliveries, net new orders and orders on hand for each industry are converted, where necessary, to constant prices and formed into indices. For the textile industries the indices for deliveries and net new orders are combined by weights estimated from the results of the Census of Production, 1970; the orders on hand index for textiles is derived from these two indices.

Made-up clothing

The index numbers for individual sectors are based on monthly returns made voluntarily by a sample of firms and revised subsequently in the light of fuller information from quarterly sales inquiries covering all firms with 25 or more employees. The indices relate to deliveries at constant prices of principal products classified to each industrial sector. In calculating the index for made-up clothing as a whole the index numbers for individual sectors are combined using gross output weights for 1970.

Textiles

Raw wool

The production figures show the weight of British fleece wool taken up by the British Wool Marketing Board and the weight of wool produced by fell-mongering from British sheepskins.

Home consumption is the estimated clean weight consumed in combing, woollen spinning and felt making.

Stocks figures show the estimated clean weight of all raw wool in the United Kingdom, excluding farmers' stocks not yet taken on charge by the British Wool Marketing Board. These estimates are subject to revision each year following the results of the annual census of wool stocks taken at the end of August.

Woollen yarn

Production figures are estimated from the weight of all fibres including man-made fibres, consumed by spinners of woollen yarn. All types of yarn are covered, including hand-knitting and carpet and rug yarns.

Woven wool fabrics

The figures represent the total deliveries of all fabrics woven in the woo ltextile industry. Woven woollen fabrics are fabrics which are mainly woollen by weight of components; similarly, woven worsted fabrics are fabrics which are mainly worsted by weight of components.

Wool blankets (including mixtures and man-made fibres)

The following factors apply: 1 full size blanket = 5·40 square yards, 1 cot blanket = 1·40 square yards.

Raw cotton

Home consumption figures show the quantities used for cotton spinning, together with an estimate of consumption by other users.

Stocks figures represent the estimated weight of raw cotton held in Liverpool and Manchester certified warehouses and in Manchester docks, and by spinners in mills and up-country warehouses.

Single yarn spun in the cotton industry

Production is the total conditioned weight of single yarn spun whether for sale or for further manufacture by the same firm. Yarn spun on commission is included.

Cotton yarn excludes waste yarns and mixture yarns.

Cotton waste yarns are yarns spun from cotton waste and from raw cotton on the condenser and other waste spinning systems.

Spun man-made fibre and mixture yarns are spun yarns of rayon, nylon and other man-made fibres, mixture yarns of cotton and man-made fibres and of cotton and wool, and waste yarns other than those wholly of cotton waste and raw cotton.

Woven cloth of cotton and man-made fibres

The figures cover the production of woven cloth of more than 18 inches in width; they include cloth made for sale, cloth which is made up into household textiles, etc., by the same firm, and cloth woven on commission. Cloth for industrial uses, such as tyre fabric is included as well as cloth for clothing and for household textiles. The figures represent the linear yardage of cloth in the loom state before undergoing finishing processes; but cloth intended for splitting is included in length as split (for example, one yard of cloth intended to be split into two pieces is shown as two linear yards).

Man-made fibre and mixture cloth is cloth made wholly from continuous filament and spun rayon, nylon and other man-made fibres and mixture cloth containing not less than 85 per cent by weight of man-made continuous filament yarn and Yarns spun in the cotton industry, as defined above, or similar yarns spun abroad.

Man-made fibres

Figures relate to output of man-made fibres in commercial production in the United Kingdom.

Hard hemps

Consumption and stocks relate to the amount of sisal line and manila hemp used and held by spinners and paper-makers.

Jute cloth

Production is estimated from consumption of yarn by jute cloth weavers.

Imported jute goods

The figures relate to total imports of woven fabrics of jute and new sacks and bags of jute as published in *Overseas Trade Statistics*.

Hosiery

The figures relate to sales by establishments employing 25 or more persons. These figures include garments made-up from knitted fabrics of all types by establishments engaged in knitting, except those engaged mainly in warp knitting. The figures exclude garments made-up from knitted fabrics by establishments not engaged in knitting.

Garments are classified as follows:

For men and youths aged 14 and over as Men's; for women and maids aged 14 and over as Women's; for boys and girls up to 13 as Children's.

Finished leather

Because of difficulty in collecting monthly figures, these series have been discontinued in the *Monthly Digest of Statistics*. Annual production figures of heavy and light finished leather are shown in the *Annual Abstract of Statistics*.

Heavy leather (sold by weight)

Sole leather consists of bends, shoulders, butts, bellies and other offal, and Other leathers include mechanical and textile hide leathers.

Light leather (sold by area)

Figures relate to upper and lining leather and Other leather including gloving leather, chamois, upholstery, case, clothing and bookbinding leathers.

Footwear

The figures relate to sales of complete footwear of all types, including rubber and plastic footwear by establishments employing 25 or more persons.

Timber

Softwood and hardwood

Pitwood is excluded. Hardwood figures include logs for veneer production.

Deliveries of home-grown softwood and hardwood are the sales of sawmilling establishments in Great Britain employing 25 or more operatives.

Deliveries of imported softwood and hardwood are based on imports as recorded in *Overseas Trade Statistics* and stock changes notified by importers.

Wood chipboard

The figures for wood chipboard (particle board) include all those firms known to be making this product, using in its manufacture wood residues, forest thinnings and synthetic resins.

Plywood

Includes all plywood, blockboard, laminboard and battenboard.

Production relates to plywood produced by establishments in Great Britain employing 25 or more operatives.

Deliveries are calculated from imports, as recorded in *Overseas Trade Statistics*, and stock changes notified by importers.

Pitwood

All mining timber specially prepared for use underground in coal mines for propping or shoring or as pit sleepers. It is shown in solid cubic metres (3·57 solid cubic metres equivalent to a Gothenburg standard of round wood and 3·12 solid cubic metres equivalent to a Gothenburg standard of sawnwood).

Round pitwood comprises pitprops, round bars and long pitwood. From January 1971 props split are also included.

Up to the end of 1971 the figures for production represent National Coal Board receipts of home-grown timber. From January 1972 production figures are based on National Coal Board consumption of home-grown timber.

Domestic furniture

Estimated sales of mainly wooden and upholstered domestic furniture by establishments in Great Britain employing 25 or more operatives in the manufacture of domestic furniture.

Paper and board, and paper-making materials

In these definitions 'paper' means paper or board; 'mills' means paper mills or board mills.

Paper-making materials other than woodpulp

Consumption figures relate to consumption by mills. Stocks figures show the quantities held at mills.

Paper equivalent

The paper equivalent figures show the approximate amount of paper which it is estimated can be produced from the paper-making materials other than woodpulp shown as consumed or in stock. They are: straw 43 per cent, rags, etc. 66⅔ per cent, waste paper 85 per cent, esparto 42 per cent, pulpwood other than round 37½ per cent. The paper equivalent of one metric ton of round pulpwood is estimated at 0·63 metric tons.

Pulpwood

Other pulpwood includes home-grown pulpwood, wood waste, chippings and rejected pitprops.

Woodpulp for paper-making

This comprises imported woodpulp of the following types: chemical sulphite (bleached, semi-bleached and bleachable, and strong); chemical sulphate and soda (bleached, semi-bleached and bleachable, and kraft); semi-chemical; mechanical (bleached, unbleached and other) and knotter and screenings in terms of air dry weight used or held by paper-makers and manufacturers of cellulose wadding. Pulp derived from imported and home produced pulpwood, rejected pitprops and wood waste is excluded.

Industrial woodpulp

After consultation with industry, inquiry closed September 1971.

Newsprint

Consumption is an estimate and is based on a sample enquiry.

Stock figures show the quantity of newsprint held at mills and by publishers of newspapers and periodicals, and are estimates based on a sample enquiry. From September 1973 importers stocks are also included.

Other paper and board (including building board)

Home deliveries are derived by adding imports of other paper and board to home production invoiced out by mills, and deducting exports.

The figures for stocks relate to quantities held by paper-makers only.

Rubber

Natural rubber includes balata and gutta percha. (Figures for latices are given as dry rubber content.) The oil content of Masterbatch is included, but the carbon content is excluded.

Figures of rubber consumption are collected from manufacturers of rubber goods and from larger manufacturers of other rubber-using industries, e.g. cables.

Monthly figures are collected from larger firms only and are therefore provisional and will be revised annually in the light of quarterly and annual information obtained subsequently.

Stocks of rubber exclude those held by manufacturers outside the rubber industry. Stocks of natural rubber are those held by importers and larger consumers. Stocks of synthetic rubber and reclaimed rubber are those held by United Kingdom producers and larger consumers. In this paragraph, Larger consumers means firms mainly engaged in manufacturing rubber goods, which employ 25 or more persons.

Carbon black

Production includes lamp and vegetable black but excludes acetylene and bone black.

Brushes

Prior to the third quarter of 1970 the figures comprise sales by firms employing 6 or more operatives. Subsequent figures relate to firms employing 11 or more persons. From 1966 Other brushes include painting rollers, artists' brushes, cosmetic and bottle brushes, brushes for machines and other industrial brushes.

Floorcoverings

The figures relate to sales by all firms known to be making these products.

Carpets and rugs

The term Carpets] includes carpeting and carpet floor rugs. The figures for All types include those for items not shown separately, namely: rugs other than carpet floor rugs, woven cotton carpets and non-woven carpets, carpeting and carpet type rugs including needleloom.

Prior to 3rd quarter 1971 export figures are those reported directly from manufacturers. From then on they are those recorded in the *Overseas Trade Statistics*.

Floorcoverings of linoleum, vinyl and other synthetic materials

Linoleum in sheet and tile form relates to linoleum on a base of paper or paper board and printed and inlaid linoleum on a textile base, and from the beginning of 1966 includes plain linoleum. Figures up to end of 1962 relate to all types of linoleum. Up to the end of 1965 rigid and semi-rigid tiles relate to thermoplastic tiles based on coumarone-indene resins, vinyl asbestos tiles and other semi-rigid tiles based on vinyl compounds; from the beginning of 1966 rigid and semi-rigid tiles relate to thermoplastic tiles conforming to BSS2592 and vinyl asbestos tiles conforming to BSS3260 including those less than 0·006-inch thickness. Calendered vinyl flooring in sheet and tile form was up to the end of 1965 described as flexible vinyl flooring, printed and inlaid. Prior to 1966 figures for spread vinyl floorings relate to vinyl on a textile base only. Floor coverings of linoleum, vinyl and other synthetic materials not appropriate to previous headings are included in Other.

XI. CONSTRUCTION

Value and volume of constructional work and new orders obtained

Figures for the construction industry are based on Order XX of the 1968 Standard Industrial Classification.

The value of output represents the value of construction work done during the quarter and derives from returns made by contractors and public authorities with their own labour forces. The output of building operatives employed by private firms outside the construction industry to carry out work on their own establishments is included if the firms have a separate building department. The index of the volume of output includes estimates of the output of small firms and self-employed workers not recorded in the regular quarterly output enquiry.

The new orders statistics are collected from contractors and analysed by the principal types of construction work involved. The series does include speculative work for eventual sale or lease undertaken on the own initiative of the respondent where no formal contract or order is involved.

Building materials and components

The figures relate to the actual production and stocks as given in the returns submitted by producers.

The stocks figures relate to stocks at works, including sold and unsold. Production figures will relate to calendar months or periods of four or five weeks.

Building bricks

The figures include common, facing and engineering bricks made from shale, sand lime, clay or concrete, but exclude glazed bricks and all types of refractory bricks.

Cement

Production figures show the actual quantity of Portland cement and Portland blast furnace cement ground.

Building sand

The figures include sand used in the production of sand lime bricks and for asphalting.

Gravel

The production figures include hoggin used for all purposes and also includes landings of marine dredged material.

Plaster

The figures exclude plaster used in the production of plasterboard.

Gypsum

The figures refer to quantities mined but exclude anhydrite.

Asbestos cement sheets—corrugated

The figures include roof decking.

Concrete roofing tiles

Figures relate to the area of roof coverage.

Cast iron pipes and fittings

Including rainwater, water and soil pipes and gutters.

Metal windows and casement doors

The figures include windows in standard metal window section, windows and doors in universal section, standard and purpose-made windows in sash sections and curtain walling.

Housing

The tables on housing relate to permanent houses and flats built for local authorities, private owners, housing associations and government departments. Temporary houses and mobile homes are excluded.

The figures for local authorites include houses provided by the Commission for the New Towns and new town development corporations and, in Scotland, by the Scottish Special Housing Association and in Northern Ireland, by the Northern Ireland Housing Executive (formerly by the Northern Ireland Housing Trust); these figures exclude those for houses provided by local authorities other than under Housing Act powers (e.g. for parks, welfare, water undertakings), and these are included under the heading Other authorities. Also included under the latter heading are houses provided or authorised by government departments for the families of police, prison staff, the armed forces and certain other services and those provided by housing associations with the exception of the Scottish Special Housing Association.

Educational building

Major building proposals and certain minor works in England and Wales require the approval of the Department of Education and Science. Approval is normally given about three months before the work is started. In the series for value of projects started, deductions are made where approved expenditure is not fully taken up.

In England and Wales the value figures refer to the cost as estimated at the time of approval, the cost on tender, or the final cost, whichever is the latest figure available. When a revised value figure for a project becomes known, the change is incorporated in the cumulative total by adjusting the figures for the latest period, the figures for earlier periods (for example, the period in which the project was originally approved) remaining unaltered. Building projects in Scotland require the approval of the Scottish Education Department. The Scottish figures of contracts under construction and completed are based on tender costs, except in the case of those relating to contracts completed from January 1954 to December 1959, both inclusive, where they have been adjusted in respect of any differences between tender and final costs as the latter became known.

The figures for England and Wales include the value of projects for which specific approval is not required.

Both tables exclude building work at independent schools, direct grant schools, universities, and certain other educational institutions such as theological colleges.

The method of calculation of the number of places provided differs in England and Wales, and Scotland. In England and Wales the figures refer to the number of pupils for which school accommodation is designed. In present circumstances, however, the number of children actually admitted to the new accommodation may exceed the number for which it is designed. In Scotland the figures refer to the sum of the approved capacities of the teaching rooms whether classrooms or practical rooms, and will normally exceed the number of pupils for which the accommodation is designed.

XII. TRANSPORT

Road vehicles in Great Britain

These figures are compiled from information received by the Department of the Environment from all registration and licensing authorities (county, county borough and burgh councils) in Great Britain which administer the Vehicles (Excise) Act, 1971 (and previous similar Acts). The statistics are thus a by-product of administration and the classes shown correspond in the main to taxation classes. The figures include all vehicles which pay tax and certain vehicles which are exempt from the payment of tax. Most of the latter carry a form of licence known as a 'nil' licence. The figures exclude vehicles registered by the armed forces and trade licences issued to manufacturers and repairers of, and dealers in, motor vehicles.

Exempt vehicles fall into two groups:

Vehicles which are designed and used for particular purposes

Some vehicles in this group (such as invalid vehicles, snow ploughs and certain road construction vehicles) are registered when they are first brought into use and, although they pay no tax, they carry a Nil licence. Other vehicles of this type (*viz.* fire appliances, ambulances and road rollers) do not carry a licence disc.

Vehicles which make little or no use of public roads

Vehicles which make little use of public roads (that is, travel not more than six miles per week while passing between different parts of the owner's land) are registered but carry no licence.

Vehicles which are never used on public roads (that is, on roads repairable at the public expense) are not required to bear a licence and are registered only if the roads they use (e.g. certain industrial estates) are accessible to the public. These vehicles do not appear in the statistics of current licences.

Vehicles owned by government authorities

Vehicles belonging to the armed forces operate under a special registration and licensing system. Such vehicles are not included in either table.

All other vehicles owned by government departments are registered but pay no tax. From 1951, these vehicles have operated under Certificates of Crown Ownership and are shown separately in statistics of current licences, but are combined with vehicles of their appropriate type in statistics of new registrations.

The following points should also be noted:

(*a*) The column headed Cars includes some light vans and other vehicles which, because they do not fall into any other classification, are taxed as Private on the same basis as cars.

(*b*) The column headed Buses, coaches and taxis, refers to vehicles that are taxed as Hackneys, and includes a few trolleybuses, trams and private hire cars.

(*c*) The columns for new registrations headed Tractors and engines, include haulage tractors, agricultural tractors and other agricultural machinery which are used for certain defined purposes connected with agriculture and forestry; trench diggers, excavators and mobile cranes which are used on roads only for proceeding to and from working sites; and mowing machines. In the current licences table haulage tractors are included with Goods vehicles.

Method of collecting statistics of licences current

In 1966 the annual statistics were derived by means of a complete census of vehicles registered by all registration and licensing authorities. In other years, the statistics are based on samples of one-tenth or one-twentieth of all vehicles registered by most authorities; a complete census was maintained by those authorities with fewer than 10,000 registered vehicles. In both the full and sample censuses, a vehicle is included in the statistics if it had a licence current at any time during the July to September quarter.

The end of month figures are estimates based on taxation returns.

Road traffic and inland goods transport in Great Britain

The index of vehicle miles shows trends in the mileage travelled by vehicles on the roads of Great Britain. The monthly figures relate to calendar months and therefore include the effects of variations in the number of weekdays and weekends and of the incidence of public holidays. The basis is a regular series of traffic counts at a randomly selected sample of points on the road system. Automatic axle counters at 50 sites provide a continuous record of trends in total motor traffic and a system of monthly manual counts covering over 200 sites provides the basis for estimates of individual vehicle classes, including bicycles. Benchmark estimates were obtained from short-period counts at 1,300 sites in 1966. A new benchmark survey is now in progress. For fuller details see *Highway Statistics* (HMSO annually).

The analysis by vehicle type is based upon roadside observation; thus vehicles are classified in accordance with their general appearance.

The index of ton-miles of road goods transport is estimated from traffic count data, a large scale one-year sample survey carried out in 1967/68 and (from 1970) a smaller continuing sample survey. Quarterly index numbers for road transport are obtained by dividing each quarter's figure of ton-miles performed by road by the quarterly average in 1963. The quarterly figures relate to 13-week periods and not to three calendar months, so no adjustment for differences in the length of calendar months is necessary. Annual index numbers are obtained in a similar way by dividing the estimated annual road ton-mileage by the corresponding figure in 1963.

Road casualties in Great Britain

These figures are compiled from information received by the Department of the Environment and the Scottish Development Department from police forces throughout Great Britain. Only those casualties from road accidents occurring on the public highway, which were reported to the police are included.

Casualties are classified according to the degree of injury sustained. The degrees of injury are defined as follows:

Killed: Died within 30 days of the accident.

Serious injury: An injury for which a person is detained in hospital as an inpatient, either immediately or later, or any of the following injuries whether or not he is detained in hospital: fracture, concussion, internal injury, crushing, severe cuts and lacerations, severe general shock requiring hospital treatment.

Slight injury: An injury of a minor character such as a sprain or bruise, or a cut or laceration not judged to be severe. Cases of shock are only included if they appear to need roadside attention.

Road passenger transport

The quarterly figures for buses and coaches other than those operated by London Transport are based on a return from operators of more than 24 vehicles who accounted for 95 per cent of passenger journeys and 88 per cent of passenger receipts in 1971. The figures given include estimates for the smaller firms not making quarterly returns.

Returns from all operators are used to compile the annual figures.

Passenger receipts

British Rail

Passenger receipts are the receipts from passenger fares of all kinds. Charges for platform tickets, seat reservations, left luggage, etc., which are classed as miscellaneous receipts, are excluded.

London Transport

Traffic receipts are derived entirely from passenger traffic.

Passenger journeys

The figures of passenger journeys show the number of journeys originating on the British Rail and London Transport systems. Passenger journeys commencing on one system and terminating on the other are included in the figures for both British Rail and London Transport.

Children's tickets are counted as whole journeys. Return tickets are counted as two journeys and the number of journeys by season ticket holders are on the basis of 540 journeys per annum for British Rail and 600 journeys per annum for London Transport. Government department traffic (for example, naval and military) and other reduced fare traffic are included.

Freight traffic

British Rail

The figures of traffic originating show the tonnage of revenue-earning traffic conveyed by British Rail at freight train rates. Cross-channel traffic invoiced to interior stations is treated as originating at the port of entry. Materials for British Rail conveyed without public charge, whether on revenue-earning or departmental (including ballast) trains, are excluded.

Net ton-miles are calculated by multiplying the loaded wagon miles for each type of traffic by the respective average wagon loads of forwarded and received traffic in combination.

Coal and coke include patent fuels, slack, smudge, cannel and coal cinders for fuel.

Iron and steel comprises crude and semi-finished steel; finished steel; iron ore; pig iron; scrap iron and steel; limestone, dolomite and lime for iron and steel works; iron castings.

Inland waterways

The figures of traffic originating shows the total freight tonnage conveyed over the Board's inland waterways in craft operated by the Board and others.

Net ton-miles are calculated by multiplying the tons of traffic by the distance (to the nearest quarter mile) conveyed over the Board's waterways.

Civil aviation

The statistics cover the scheduled services of British Airways and United Kingdom private companies.

Scheduled services are those shown in published timetables, including supplementary flights.

Scheduled services operated temporarily under charter by another airline on behalf of a United Kingdom airline are included.

The figures refer only to revenue kilometres and traffic (kilometres and traffic for which remuneration is received or sought) on scheduled services and therefore do not include such items as training, positioning and test flights and non-paying passengers and cargo.

In compiling kilometres statistics, distances have been calculated on the Great Circle distance in kilometres between two traffic stops. If a technical stop intervenes the distance is the sum of the two stages caused by the technical stop.

Domestic services

Services flown entirely within the United Kingdom, including the Isle of Man and the Channel Islands.

International services

Services flown wholly outside the United Kingdom, or wholly or partly between the United Kingdom and places outside.

Passengers

The number of passengers carried is based on the number of seats occupied by fare-paying passengers. Children at half-fare are included but not children at 10 per cent fare (children under two years of age, not occupying a separate seat). Passengers travelling over more than one stage with through tickets are counted once only but passengers with return tickets are counted in both directions.

Cargo

Cargo means any property carried on an aircraft including excess luggage, mail, diplomatic bags and weight of vehicles carried on vehicle ferry services.

Merchant vessels registered in the United Kingdom

Passenger vessels

Any vessel permitted to carry more than 12 passengers.

Dry cargo vessels

Cargo liners (including roll-on, roll-off vessels and container vessels), tramps, and bulk carriers including combined carriers (ore/oil and ore/bulk/oil).

Tankers

Oil, gas, chemical and other specialised tankers.

Miscellaneous craft

Government owned vessels, sailing vessels, tugs, fishing vessels, dredgers, river and other non-sea-going vessels.

Gross tonnage

Gross tonnage is the total volume of all the enclosed spaces of a vessel. The unit of measurement is a ton of 100 cubic feet.

Deadweight tonnage

Deadweight tonnage is the total weight in tons of 2,240 lb. that a ship can legally carry, that is the total weight of cargo, bunkers, stores and crew.

XIII. RETAILING AND CATERING

Retail sales and stocks

Sales

The statistics relate to the total sales of different kinds of shop, that is, they are on a 'kind of business' basis. They are now based on the provisional results of the Census of Distribution for 1971, and expressed with 1971 = 100. This rebased series was introduced in an article in *Trade and Industry* on 8 November 1973. An article which appeared in *Trade and Industry* on 5 October 1972 outlined the method of computation of the retail sales statistics. Descriptions of the volume series were given in the issue of the *Board of Trade Journal* of 10 November 1961 and in *Economic Trends* of May 1962. Apart from some changes, described in the October 1972 article referred to above, the method of seasonal adjustment is essentially the same as that described in the *Board of Trade Journal* of 6 July 1962.

The statistics cover the whole field of retail trade in Great Britain. All forms of organisation—independent retailers, multiple retailers (chains with ten or more branches), co-operative societies, department stores and mail order houses—are represented. Independent retailers report sales on a shop basis in general. Multiple retailers report the sales of the aggregation of their branches. Co-operative societies report sales on a department basis, the departments being classified to the nearest appropriate kind of business. Department stores report sales on a shop basis and are classified as whole units to a single kind of business. Multiple retailers and co-operative societies report sales of all shops open in the reporting period so that in respect of these two types of retailer the statistics make some allowance for changes in the number of shops, but it is not generally possible to make similar allowance for 'births' or 'deaths' among the independent retailers and department stores.

The statistics are based on voluntary returns from a substantial sample of contributors spread over the different kinds of business and the different forms of organisation and chosen to be representative, as far as possible, of the different sizes of retailers and the different parts of the country. The panel of independent retailers comprises some 6,000 contributors, while the large-scale retailers who contribute, account for nearly 80 per cent of the total sales of these retailers. Many of the large-scale retailers were recruited by the co-operating retail trade associations—the Co-operative Union, the Drapers' Chamber of Trade, the Multiple Shops Federation and the Retail Distributors' Association. The results are compiled so as to give due weight, as far as possible, to different sizes of contributor, different regions (co-operative societies and department stores only), forms of organisation and kinds of business. In this, and in the initial selection of the panel of contributors, the results of the Censuses of Distribution are used.

The statistics relate to the total sales of shops, inclusive of VAT (before the introduction of VAT on 1 April 1973, sales were inclusive of purchase tax), and inclusive of receipts from the sale of meals, from services to customers (for example, repairs) and rentals received for goods (for example, radio or television sets). Hire purchase and other instalment credit sales are valued at the credit price of the goods (that is including deposits and, where the credit is provided by the shop, credit charges.) Figures of credit sales relate only to the period during which the transactions took place, i.e. cash received from credit sales

in previous periods is not included. Sales by chemists exclude receipts under the national health service. The statistics, being on a kind of business, and not a commodity basis, do not cover sales of goods by establishments not classified to the kinds of business covered in the statistics, for example, they do not cover the sale of cigarettes and tobacco in public houses or the sale of goods in restaurants and cafés.

The basic estimates of the value of sales each month are constructed by comparison with the corresponding month of the preceding year, 'chaining' back to the base year. Descriptions of the methods used to obtain the seasonally adjusted value and volume estimates are given in articles referred to above.

The latest summary statistics are published each month in *Trade and Industry;* detailed unadjusted statistics appear each month in the Business Monitor series.

Stocks

The index numbers of retail stocks are derived in broadly the same way as the retail sales indices (see above). They relate to the same coverage of retail trade as the sales statistics and are constructed on the same 'kind of business' basis. The reporting sample is confined largely to multiple retailers, co-operative societies, department stores, general mail order houses and large independent clothing and furniture shops, and accounts for about a half of the stocks held by these retailers and about a quarter of total retail stocks. The method of computation of the retail stocks series, which are based on the results of the Census of Distribution for 1966, has now been improved. An article describing the revised series appeared in *Trade and Industry* on 20 September 1973. In addition to using results from the periodic Censuses of Distribution, the estimates also incorporate information from the annual inquiries into the distributive and service trades. From 1 April 1973, stocks are valued exclusive of VAT. Before this date the figures had been valued inclusive of purchase tax.

Catering turnover

Estimates of changes in the turnover of the catering trades, based on returns sent in each month by a selection of organisations and establishments in these trades, are calculated in much the same way as the estimates of retail trade described above. The results are compiled so as to give due weight, as far as possible, to different sizes of contributors, forms of organisation and kinds of business, using for this purpose the results of an inquiry into the catering trades in respect of 1969. The results are provisionally rebased on 1969 = 100. Since 1 April 1973 the estimates of turnover have been inclusive of VAT. Summary statistics are published each month in *Trade and Industry*; detailed statistics are published in the Business Monitor series.

XIV. EXTERNAL TRADE

Visible trade on an *Overseas Trade Statistics* basis

The statistics of overseas trade comprise all merchandise imported into or exported from the United Kingdom, with the exception of the items mentioned below, whether or not the imports are intended at the time of importation for use in the United Kingdom or for re-export, and whether or not the exports are from Customs bonded warehouses. The statistics of imports, therefore, include British goods re-imported and goods imported for process or for incorporation with other goods and subsequent re-exportation. This system is known as the 'general' system of recording trade statistics. Re-exports are not separately distinguished and are included throughout with exports of United Kingdom produce.

For purposes of trade statistics 'United Kingdom' is defined as Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and the Continental Shelf (United Kingdom part). The figures include the trade of the Channel Islands and the continental shelf (United Kingdom part) with overseas countries other than the United Kingdom. The United Kingdom and the foreign part of the continental shelf are areas defined by international convention.

The grouping of commodities in the *Monthly Digest* is based on the Standard International Trade Classification (Revised) of the United Nations.

Changes in the coverage of the *Overseas Trade Statistics* are made from time to time, but as far as possible all earlier figures in the *Digest* are adjusted to conform to the coverage and definitions in operation in the latest period shown.

In some cases it is not possible to adjust figures for all periods to a comparable basis, and the following discontinuity should be noted: From 1 September 1973 imports and exports, other than by parcel post, of an individual value less than £100(1) are aggregated under SITC(R) Subgroup 931.02 as Other transactions not classified according to kind. This trade, amounting to a very small proportion of total trade, is not analysed either by commodity or country. Figures for year 1970 and after for individual commodity and country headings are therefore deficient to the extent of these consignments. Certain imports and exports used solely for servicing Continental Shelf installations are not classified by commodity and from 1 January 1971 are aggregated under SITC(R) Subgroup 931.01.

The monthly averages for each year, or part of the year, are calculated from adjusted cumulative totals and do not necessarily correspond precisely with the average of the monthly figures.

Coverage of the statistics

The following classes of goods are excluded from *Overseas Trade Statistics:*

(*a*) sea-going vessels and aircraft (except ships for breaking up, and newly built vessels or aircraft arriving on purchase from abroad or departing on sale abroad); imports of spares for foreign registered and owned aircraft used on international air services, and such spares re-exported.

(*b*) certain atomic energy materials imported or exported by the United Kingdom Atomic Energy Authority or its agents, including uranium ore and concentrates.

(*c*) stores and equipment exported for use by United Kingdom Forces or returned from such use;

(1) £50 between 1 January 1970 and 31 August 1973.

other British government owned stores exported for British government use overseas or returned from such use. (Stores shipped abroad for NAAFI, the YMCA and similar organisations are however included.)

(*d*) stores and equipment imported by Commonwealth and foreign government Forces in the United Kingdom solely for their own use (including American Post exchange stores); and such stores re-exported.

(*e*) goods directly imported by Ambassadors or Ministers accredited to the United Kingdom.

(*f*) touring, passenger or load-carrying road or railway vehicles, temporarily entering or leaving the United Kingdom for subsequent departure or return.

(*g*) circulatory containers, pallets and the like.

(*h*) fish and similar natural produce of the sea on first landing in the United Kingdom, after being taken by vessels of British registration.

(*i*) personal and household effects; parcels carried by passengers for private use; legacies.

(*j*) used clothing and household goods exported by charitable organisations.

(*k*) stores and fuel on board ships, aircraft and vehicles and intended for consumption en route.

(*l*) ballast not of commercial value; dunnage; oil sludge and tank cleanings; waste for dumping at sea.

(*m*) professional effects (e.g. survey, film and radio equipment, theatrical properties, musical instruments and the like) temporarily imported or exported for a specific use and subsequent return.

(*n*) works of art and other goods temporarily imported or exported solely for exhibition, display or demonstration purposes and subsequent return.

(*o*) trade samples (including arbitration samples).

(*p*) gold and monetary items (i.e. gold coin and bullion, unrefined and semi-manufactured gold and other coin of legal tender. Banknotes after issue into circulation being legal tender in any country; issued stock, share and bond certificates and similar titles of ownership; revenue stamps imported for affixation to tobacco or spirit goods and subsequent re-exportation therewith.

Parcel post

Imports by parcel post valued at over £100(s) and charged to duty are treated in the same way as the general run of imports and are included in the statistics according to their description.

Other imports and exports by parcel post are, generally speaking, included in Section 9 under the heading Postal packages not classified according to kind (SITC(R) Item 911.0). Consequently the figures for the descriptions of particular goods in the Tables are deficient to the extent of the volume of this parcel post trade.

The figures of imports and exports by parcel post referred to relate to goods sent through the GPO as Parcel Post; they do not include packets sent by Letter Post or by Printed Paper Post. The limit of weight for parcel post is 22 lb.

Period covered by the monthly *Overseas Trade Statistics*

In general, the figures show the trade as declared by importers and exporters on the completed documents received in the Statistical Office of HM Customs and Excise at Southend during a month. With certain exceptions, traders are allowed a short period of grace before documents have to be presented at the ports.

Registered exporters are allowed fourteen days after the shipment of the goods within which to deliver their documents. Moreover the processing of export documents begins shortly before the end of the calendar month. Thus the export statistics compiled for a month do not correspond with goods shipped in the calendar month.

Importers are usually required to present their documents before they can obtain Customs clearance and remove the goods. Further, the import figures include those recorded in documents lodged at the ports in the month, which reach Southend up to the third working day after the end of the month. The import figures therefore correspond fairly closely to goods actually imported during the calendar month.

Quantities and values

Both quantities and values are based on the declarations of importers and exporters or their agents and may be verified by Customs officials. For all imported goods, the value for Customs purposes is to be taken as the statistical value. Information about the value for Customs purposes is given in paragraph 11 of Part 3A of the Tariff and Overseas Trade Classification. Briefly stated, this value is the price which the goods would fetch, at the time the Customs accept the entry for home use, on a sale in the open market between a buyer and a seller independent of each other, giving delivery to the buyer at the port or place of importation into the United Kingdom, the seller bearing freight, insurance, commission and all other costs, charges and expenses incidental to the sale and delivery, except duties or taxes chargeable in the United Kingdom.

Normally, for goods imported under a contract of sale negotiated in fully open market conditions, the value is represented by the price made under that contract, adjusted as necessary to take account of costs, charges and expenses as above. Where an amount in foreign currency has had to be converted to its sterling equivalent, the rate of exchange used has been that appropriate at the time of lodgment of the Customs entry.

The values of exports are required to be on an f.o.b. (free on board) basis viz. the cost of the goods to the purchaser abroad, including packing, inland and coastal transport in the United Kingdom, dock dues, loading charges, and all other costs, profits, charges and expenses (for example, insurance and commission) accruing up to the point where the goods are deposited on board the exporting vessel or aircraft or at the land boundary of Northern Ireland.

Transit trade

Goods in transit through the United Kingdom are not included in the statistics. Goods entered for transhipment may be either dutiable or free of duty, and either for removal from a vessel in one port and conveyance to another port for re-shipment abroad, or for removal under the same conditions from one vessel to another in the same port.

Goods transhipped under bond are to be distinguished from goods which are entered for storage in bonded warehouses and are afterwards exported therefrom, these latter goods being included in the general statistics of imports and exports.

(1) £50 between 1 January 1970 and 31 August 1973.

Seasonally adjusted figures of United Kingdom trade

An explanation of the methods used to compute the seasonally adjusted figures was given in *Trade and Industry* 17 February 1971.

Trade by countries and areas

Countries of consignment
Particulars of imports and exports are given according to the country from which or to which the goods are consigned.

Imports are classified as received from the country from which the goods were originally despatched to the United Kingdom with or without breaking bulk in the course of transport, but without any commercial transaction in any intermediate country. The country from which goods are consigned is not necessarily the country of shipment, origin or manufacture. Exports are classified as despatched to the country which is the last country to which the goods are consigned, with or without breaking bulk in the course of transport, but without any commercial transaction in any intermediate country. The country to which goods are consigned is not necessarily the country of unshipment or final destination. Exports of newly built sea-going ships are normally classified as despatched to the country of registration.

Goods consigned direct to the United Kingdom from fishing vessels other than those of United Kingdom registration are classified as received from the country in which the vessel is registered.

The areas used are defined as follows:

Sterling area
All Commonwealth countries (except Canada and Rhodesia) together with Iceland, Irish Republic, Jordan, Kuwait, Oman, South Africa, South West Africa, Democratic Republic of Yemen, Pakistan, Bahrain, Qatar, Abu Dhabi, Dubai, Sharjah, etc., and Sikkim.

Developed sterling area
Australia, New Zealand, South Africa, Irish Republic and Iceland.

North America
United States of America, Puerto Rico, Virgin Islands of the United States, and Canada.

European Free Trade Association (EFTA)
Finland, Sweden, Norway, Iceland, Switzerland, Portugal and Austria.

European Economic Community (EEC)
Federal Republic of Germany, Netherlands, Belgium and Luxembourg, France, Italy, Denmark, Faroe Islands, Greenland and Irish Republic.

Western Europe
Countries of EFTA and EEC (except Greenland), Continental Shelf (Foreign Part), Andorra, Vatican City, Spain, Yugoslavia, Greece, Turkey, Gibraltar and Malta.

Latin America
Cuba, Haiti, Dominican Republic, Mexico, Guatemala, Honduras (not British), El Salvador, Nicaragua, Costa Rica, Colombia, Panama, Canal Zone of Panama, Venezuela, Ecuador, Peru, Chile, Brazil, Uruguay, Bolivia, Argentina and Paraguay.

USSR and Eastern Europe
Soviet Union, Poland, Hungary, Czechoslovakia, Albania, Bulgaria, Romania and German Democratic Republic and East Berlin.

Index numbers of the volume of imports and exports

The volume index numbers are designed to show movements in our imports and exports after eliminating variations due to price changes. They are prepared by estimating what the value of the goods imported (or exported) in the current period would have been if their prices had been those of the base period (1970). This estimate is then divided by the value of goods actually imported or exported in the base year; the indices thus give a measure of changes in the value of imports and exports at constant prices. The calculation is based on the quantity and value particulars for each of a sample of headings in the *Overseas Trade Statistics*, the prices used being the value per unit obtained by dividing the value of trade recorded for the heading by a corresponding quantity (numbers, tonnes, etc.). A fuller explanation of the methods used to compute this series was given in *Trade and Industry* 11 October 1973.

Import and export unit value index numbers

These index numbers are intended as guides to changes in the prices of imports and exports. They are not called price indices however, because they are calculated using Unit values for each of a selection of commodities in the *Overseas Trade Statistics* instead of true price quotations. The unit values are obtained by dividing the value of trade recorded in the month for each heading by a corresponding quantity (numbers, tonnes, etc.). As far as possible only those headings which cover a sufficiently homogeneous group of commodities for their unit values to move in much the same way as true prices are used in the calculation. About 2,300 items are used in the index for imports and 1,750 in that for exports; the headings are chosen to give as wide and representative a coverage as possible. The indices are constructed by combining the unit values with the quantities recorded in the base year as weights.

A fuller explanation of the methods used to compute these series was given in *Trade and Industry* 11 October 1973.

Visible trade on a balance of payments basis

The statistics of the value of imports and exports on a balance of payments basis are obtained by making various adjustments to the value of trade recorded in *Overseas Trade Statistics*. These adjustments relate to either the coverage of statistics or the valuation of items which are recorded. *Overseas Trade Statistics* includes, with a few exceptions, all goods entering or leaving the country whether or not their ownership changes and coverage adjustments are necessary to remove items where there is no change of ownership (for example, goods imported or exported for processing and repair) and to bring in items which are not included in *Overseas Trade Statistics* (e.g. new ships built and delivered abroad direct to UK owners). The main valuation adjustment is made to imports, which are valued c.i.f. in *Overseas Trade Statistics*, i.e. their value includes the freight and insurance costs of bringing them to this country; for balance of payments purposes these costs are deducted from the value of imports since freight and insurance payments to foreign companies are included in invisible items in the balance of payments and those to UK companies are

regarded as domestic transactions. Other adjustments include for exports the addition of an allowance for the net under-recording of exports; and for imports the exclusion of the values of deliveries of US military aircraft and their replacement by the values of payments for these aircraft. These adjustments are described in greater detail in an article in *Trade and Industry* of 4 November 1970 and in the annual Pink Book *United Kingdom Balance of Payments*. The Pink Book also gives a more detailed breakdown of the value of the adjustments.

The import and export unit value and volume index numbers for commodity groups are calculated from the data recorded in *Overseas Trade Statistics*. In order to provide index numbers comparable with the statistics of the value of trade on a balance of payments basis index numbers are also constructed for total imports and exports on a balance of payments basis. Weights for commodity groups are altered to allow for the effects of balance of payments adjustments in the base year 1970. For example, the freight element in the c.i.f. value of fuels is larger than in the c.i.f. value of other imports so that on a balance of payments basis the weight for fuels in the unit value and volume indices for imports is lower than on an *Overseas Trade Statistics* basis.

The terms of trade series is derived by dividing the total export unit value index by the total import unit value index, both being on a balance of payments basis.

XV. OVERSEAS FINANCE

Balance of payments

The items in this table are more fully defined in *United Kingdom Balance of Payments 1973* (the Pink Book).

Current account

Exports f.o.b., and imports f.o.b.

The *Overseas Trade Statistics* are the basis of the balance of payments figures but certain adjustments are made in respect of valuation and coverage. The principal adjustment is the deduction of freight and insurance from the *Trade Statistics* figures of imports.

Invisible balance

The net total of all invisible transactions, comprising:

United Kingdom government payments and receipts in respect of services and transfers;

sea transport and civil aviation;

travel;

other services (including commissions, insurance and other City earnings, advertising, royalties, construction work overseas, education and overseas governments' expenditure in the United Kingdom);

interest, profits and dividends;

private transfers.

Investment and other capital flows

Official long-term capital

This consists of inter-government loans and other United Kingdom official long-term capital.

Inter-government loans cover drawings and repayments of loans made by the United Kingdom government to overseas governments and drawings and repayments of loans made to the United Kingdom government by overseas governments.

Other official long-term capital covers the United Kingdom capital subscriptions to the International Development Association, the regional development banks and, from 1973, the European Investment Bank. Also included are net changes in other overseas assets held by the United Kingdom government or such organisations as the Commonwealth Development Corporation.

Overseas investment in UK public sector

This consists of transactions with overseas residents in United Kingdom government and government guaranteed stocks (excluding those with central monetary institutions and international organisations), local authority securities and mortgages, public corporations' net issues abroad and public sector borrowing abroad from banks, etc.

UK and overseas private investment

A subdivision of UK private investment overseas is made between direct, portfolio and other investment, the latter including oil investment. Overseas investment in UK private sector is subdivided between direct investment, portfolio investment in UK company securities, and other investment.

Direct investment comprises investment by United Kingdom companies in their overseas branches, subsidiaries and associates, including the reinvestment of retained profits, and by overseas companies (other than insurance companies) in their United Kingdom affiliates.

UK portfolio investment overseas consists mainly of net purchases and sales of overseas government, municipal and company securities.

Overseas investment in UK company securities represents the changes in the holdings by overseas residents of UK company securities, including securities issued abroad.

Other (oil and miscellaneous) investment includes United Kingdom oil companies' investment abroad and overseas oil companies' investment in the United Kingdom on a basis comparable with the estimates of other direct investment. Other overseas investment by UK residents includes investment in real estate, and by the CDFC. Other overseas investment in the UK private sector includes borrowing by UK companies direct from banks and commercial companies overseas and identified investment in real estate and in the insurance industry in the United Kingdom.

Overseas currency borrowing or lending (net) by UK banks

Borrowing to finance United Kingdom investment overseas

Overseas currencies on-lent by United Kingdom banks to United Kingdom residents in the form of credits to finance United Kingdom investment overseas.

Borrowing to finance lending to United Kingdom public sector

Overseas currencies borrowed by United Kingdom banks for on-lending to United Kingdom public corporations and local authorities for domestic use. Prior to 1973 borrowing of this type was not separately distinguished but was probably small.

Other borrowing or lending (net)

This item covers changes in external liabilities and claims of United Kingdom banks in overseas currencies other than claims in the form of bills lodged with the banks (which are included in trade credit) and excluding borrowing reflected in amounts on-lent to United Kingdom residents referred to above.

Exchange reserves in sterling

This item provides a broad measure of the changes in sterling reserves of overseas countries and international organisations (other than the International Monetary Fund) as reported by United Kingdom banks, etc. Transactions in British government stocks and banking and money market liabilities in sterling are shown separately.

Other external banking and money market liabilities in sterling

This item consists of the changes in United Kingdom external banking and money market liabilities in sterling to overseas residents, other than central monetary institutions and international organisations.

Import credit

This item consists of the change in trade credit received by United Kingdom businesses from overseas businesses other than affiliates and parent companies, *less* advance and progress payments from the United Kingdom.

For convenience, import deposits paid directly from overseas firms in the years 1968 to 1971 were included in the same heading.

Export credit

The entries consist of the changes in credit extended by banks in the United Kingdom and trade credit extended by United Kingdom businesses to overseas businesses other than affiliates and parent companies, *less* advance and progress payments.

Other short-term flows

Consists of changes in the following: total United Kingdom external sterling claims other than export bills; official assets and liabilities (n.e.i.) other than import deposits paid directly from overseas; other commercial short-term transactions (net); IMF administrative and operational expenditure and receipts in sterling, and IMF gold deposits in the United Kingdom.

Analysis of total currency flow and official financing

Capital transfers

Represents amounts paid over in implementation of the guarantee clause of the Sterling Agreements.

Balancing item

Represents the net total of errors and omissions in other items.

EEA loss on forwards

Records the loss arising from the fact that the Exchange Equalisation Account's forward commitments with the market entered into before devaluation in 1967 have been recorded as settled on maturity at the new parity.

Official financing

IMF

United Kingdom drawings and repurchases, and drawings and repurchases in sterling by other countries which affect the UK's repurchase obligations to the International Monetary Fund. From July 1972 transactions affecting the United Kingdom reserve position in the Fund are treated as changes in the official reserves.

Other monetary authorities

Net borrowing from Switzerland (with a sterling counterpart) in parallel with drawings from the IMF under the General Arrangements to Borrow, other net borrowing from monetary authorities in the form of assistance with a sterling counterpart and net borrowing from other monetary authorities (and a consortium of Swiss banks in 1967) in the form of foreign currency deposits. Also included in 1971 and 1972 are amounts swapped forward into later months with overseas monetary authorities.

Transfer from dollar portfolio to reserves

The transfer of the government's portfolio of dollar securities to the official reserves in 1966 and 1967.

Official reserves

Gold, IMF Special Drawing Rights, and convertible currencies held in the Exchange Equalisation Account, together with, from July 1972, the United Kingdom reserve position in the IMF. Changes are valued in sterling at transactions rates of exchange from 23 August 1971. The figures in the table showing the level of the reserves broken down between gold, SDR, convertible currencies and the reserve position in the IMF are, however, converted at parity.

XVI. HOME FINANCE

Consolidated Fund and National Loans Fund

Up to 31 March 1968, the Consolidated Fund was virtually synonymous with the term Exchequer which was then the Government's central cash account. From 1 April 1968, the National Loans Fund was set up with a separate cash account also at the Bank of England. From that date all the transactions relating to the national debt and most transactions connected with government lending were transferred to the new Fund from the Consolidated Fund.

This table summarises the information given in the latest account of the Consolidated Fund and National Loans Fund transactions which is published monthly in a form comparable with that used in the *Financial Statement and Budget Report*.

Consolidated Fund

Revenue

In addition to tax revenue, includes payments into the Consolidated Fund of broadcast receiving licence receipts, interest, dividends and other miscellaneous receipts. Interest and dividends receipts include amounts received from the Bank of England and Cable and Wireless Ltd., to cover interest on compensation stock, as well as interest on loans from Votes and dividends on capital investment and shares. Other miscellaneous receipts consist of receipts by departments, other than interest, which they are not authorised to appropriate in aid of their Votes; and certain receipts paid direct to the Treasury. The composition of these receipts varies from year to year.

Expenditure

The bulk of expenditure is for issues to Votes on supply services. The remaining expenditure is for standing services and comprises the following items:

(i) debt interest—reimbursement to the National Loans Fund of interest and management charges of the national debt to the extent that they are not matched by interest received by the Fund on

its own lending and by profits of the Issue Department of the Bank of England;
(ii) payments to Northern Ireland in respect of their share of reserved taxes, etc;
(iii) payments to the European Communities (from January 1973); and
(iv) other expenditure—the largest items are the repayment of post-war credits, together with interest, and the net advances made to the Contingencies Fund from time to time to finance urgent expenditure in advance of Parliamentary authority.

National Loans Fund—net lending

The loans are shown net of repayments. Loans to nationalised industries are classified by purpose; thus Electricity covers the North of Scotland Hydro-Electric Board and the South of Scotland Electricity Board, as well as the Electricity Council, whilst Aviation covers the British Airports Authority and British Airways Board. Amongst other types of loans are those to other public corporations including New Towns and, from 1 April 1974 local authorities, harbour and regional water authorities; loans to the private sector are to housing associations, building societies, the Shipbuilding Industry Board and shipbuilders (under the Ship Credit Scheme); whilst lending within the central government includes advances to the Redundancy Fund and the Northern Ireland Government as well as certain lending to Votes for capital purposes. Lending associated with the redemption of government guaranteed stock is now shown separately.

Central government borrowing requirement (net balance)

The conventional account of the Consolidated Fund and National Loans Fund transactions is not a convenient form for the purpose of general financial analysis, because transactions are categorised by types of debt rather than by sources of borrowing. Moreover, most of the transactions of the central government are with official funds and agencies which are themselves engaged in transactions with the public. For instance, national insurance payments and contributions are brought to account in the National Insurance Funds, all of whose capital is government debt. As the balance on these funds rises and falls, so the central government's indebtedness to the funds is increased or diminished.

In order to arrive at a figure of borrowing by the central government from the figures given in the account of Consolidated Fund and National Loans Fund transactions, it is necessary to take account of changes in the central government's net indebtedness to these various official funds and agencies, known collectively as Other Central Government funds. The consolidated total represents the government's borrowing requirement which is the amount the government has to borrow *less* increase (or *plus* decrease) in its holdings of official reserves.

Departmental balances and miscellaneous: this item comprises
(i) changes in balances on the accounts kept by government departments, mainly with the Paymaster General; and
(ii) prior to October 1969, changes in the Postmaster General's cash surplus invested with the central government and subsequently changes in cash surpluses of the Director of Savings.

Inland Revenue duties

The figures show the aggregate amount of tax actually collected and brought into the department's accounts in the period shown, *less* the repayments made during the same period. They differ from the figures of amounts paid into the Consolidated Fund owing to the time taken to realise remittances. In the main the difference represents the variation between the amount of unrealised remittances brought forward from the previous period and that carried forward to the following period.

Amounts collected by other departments on behalf of the Inland Revenue are included. Amounts collected by the Board of Inland Revenue on behalf of other departments, for example, national insurance graduated contributions and fee stamps, are excluded. Excess profits tax post-war refunds are excluded but the income tax deducted therefrom is included; the amounts involved are now negligible.

Customs and Excise duties

The figures show the aggregate amounts of duty collected and brought into the department's accounts in the period *less* drawbacks and other repayments. The difference between the net receipts and payments into the Consolidated Fund arises from changes in:
(i) working balances held by collectors;
(ii) remittances in transit; and
(iii) advances out of revenue to meet expenditure under authority of the Exchequer and Audit Departments Act, 1866, Section 10.

Purchase tax is remitted to collectors during the quarter following that in which the registered traders have charged the tax. Accordingly, changes in tax rates, etc. are not reflected in receipts until the quarter subsequent to that in which the change became effective. Similarly, most of the duty on beer and British wine is collected a month in arrear. Purchase tax was abolished on 31 March 1973.

VAT (introduced on 1 April 1973) is generally chargeable in respect of quarterly taxable periods which are staggered so as to spread the flow of returns more evenly over the year. Thus one group (mainly retailers and partly exempt traders) has tax periods January to March, April to June, etc., a second group (mainly wholesalers) has tax periods February to April, etc., and a third group (mainly manufacturers) has tax periods March to May, etc., but special arrangements applied for the first period.

The VAT is due not later than one month after the end of the period. However a taxable person who expects his input tax to exceed his output tax regularly may have a tax period of one month.

Most traders registered for car tax (introduced on 1 April 1973) have tax periods March to May, June to August, etc. and the tax is due not later than one month after the end of the tax period.

Duty deferment: With effect from 1 January 1973 EEC Directive 6976 allows importers and agents a 30-day deferment of payment of certain duties. The major items involved are protective duties and for the last three months of its operation, purchase tax on imported goods. Deferment regulations have also applied from 1 April 1973 to VAT on imported goods if it falls to be paid at importation. The effect of deferments will be reflected in the table.

Bank of England

Other securities include refinance provided by the Issue Department under the arrangements for medium and long-term finance of exports and domestic shipbuilding (for details see *Bank of England Quarterly Bulletin* June 1972, page 205).

As from 1 September 1970, certain sterling holdings of official institutions overseas, which had hitherto been employed on behalf of those institutions by the Bank

of England under their guarantee—primarily in Treasury bills but occasionally in other liquid assets—are accounted as direct, rather than contingent, liabilities of the Bank of England; and the assets in which the funds are invested are included among the assets of the Banking Department.

From 28 February 1971, the figures reflect certain changes in the treatment of reserves in the books of the Banking Department, in connection with the publication by the Bank of England of a full balance sheet and profit and loss account. The main effects of these changes were to increase the figures on the assets side for government securities and for other securities, and on the liabilities side for other accounts, as reserves hitherto earmarked against specific assets were brought together on the liabilities side of the account.

Following the publication on 28 July 1971 of the annual *Report and Accounts* of the Bank for the year ended 28 February 1971, some other minor changes were made to the figures of the Banking Department published in the weekly Bank Return. The changes were as follows: on the liabilities side, unallocated profit of the Bank formerly described as Rest was included in Reserves and other accounts, which replaced the item Other accounts; on the assets side, Treasury bills discounted for customers were included in Government securities instead of in Discounts and advances, the title of which was changed to Advances and other accounts, and the title of Other securities was changed to Premises, equipment and other securities.

Public deposits

All government balances held at the Bank, including the accounts of HM Exchequer, the National Loans Fund and HM Paymaster General, dividend accounts, those of the Commissioners for the Reduction of the National Debt, and those connected with tax collection and various government funds.

Special deposits

Until 15 September 1971, deposits called, under the Special Deposits Scheme announced in July 1958, from the London and Scottish clearing banks and not at their free disposal. Amounts were calculated as percentages of the latest available monthly total deposits of each bank. All Special deposits were repaid on 15 September 1971.

Under the scheme introduced on 16 September 1971, which applies to the whole banking system and to certain finance houses with eligible liabilities of more than £5 million, and which was described in a supplement to the *Bank of England Quarterly Bulletin* September 1971 entitled 'Reserve ratios and Special Deposits', Special deposits are calculated as uniform percentages of the latest available monthly figures of each institution's total eligible liabilities.

Interest is normally paid on Special deposits at a rate adjusted weekly to the nearest $\frac{1}{16}$ per cent per annum to the average rate for Treasury bills issued at the latest weekly tender. But is was announced on 8 October 1973 that, for the duration of the third stage of the Government's prices and incomes policy, no interest would be paid on that part of each bank's Special deposits that accounted for the same proportion of the total as its sterling non-interest bearing deposits did of its total eligible liabilities.

Bankers' deposits

Include the balances, held at the Bank, of the London and Scottish clearing banks, the discount houses, the offices in the United Kingdom of some other deposit banks, accepting houses and a number of overseas and other banks. Balances of overseas central banks are included in Other accounts.

Reserves and other accounts

These also include balances held at the Bank by the Crown Agents for Oversea Governments and Administrations, and the dividend accounts of stocks managed by the Bank other than the direct obligations of the British Government.

Banks in the United Kingdom—summary

This table includes all banks observing the 12½ per cent reserve ratio introduced on 16 September 1971, a list of which is published in the *Bank of England Quarterly Bulletin* each December and in *Notes and Definitions, Financial Statistics*. Banking institutions observing an undefined assets multiple ratio are therefore not included, nor are the National Giro or the Banking Department of the Bank of England.

UK residents are defined as UK public authorities, persons, companies and other bodies whose permanent or registered address is within the United Kingdom. This includes branches located within the United Kingdom of overseas-registered companies and UK diplomatic and military representatives overseas.

Overseas residents are defined as overseas governments (including their diplomatic representatives in the United Kingdom) and public authorities, UK branches or agencies of international institutions, and persons, companies and other bodies whose permanent or registered address is outside the United Kingdom. This includes overseas branches of UK-registered companies and agents or agencies located in the United Kingdom acting on behalf of, or for the account of, overseas residents.

Current and deposit accounts include, in addition to the banks' deposit liabilities, their liabilities on loans and advances (including money at call and short notice) received from other UK banks, and, where appropriate, their net sterling liabilities to their offices or to their head offices overseas.

Balances with other UK banks include money at call or short notice, and loans and advances to the UK offices of the banks contributing to these tables and to the National Giro. Cheques in course of collection on other banks in the United Kingdom are, however, excluded. For the London and Scottish clearing banks and the Northern Ireland banks the item also includes indistinguishably certain internal or impersonal accounts together with (negative) provisions for bad and doubtful debts.

Money at call and short notice to the discount houses comprises all sterling funds lent to the twelve members of the London Discount Market Association. Money at call and short notice to other borrowers comprises sterling funds lent for periods not exceeding one month to:

(i) money brokers on the Stock Exchange;
(ii) discount brokers;
(iii) jobbers and stockbrokers; and
(iv) bullion brokers, excluding those listed as UK banks

together with reporting banks' own holdings of tax reserve certificates and tax deposit accounts.

Special deposits may be called by the Bank of England from all banks under the arrangements for credit control which came into operation on 16 September 1971. These arrangements were described in the consultative document *Competition and credit control*, reprinted in the June 1971 *Bank of England Quarterly Bulletin*, page 189; 'Reserve ratios and Special Deposits', a supplement to

the September 1971 *Bulletin;* 'Reserve ratios: further definitions', in the December 1971 *Bulletin*, page 482; 'Competition and credit control: further developments' in the March 1973 *Bulletin*, page 51.

British government stocks are given at book value or cost.

Loans to UK local authorities comprise funds placed with, and loans and advances made to, UK local authorities. Any money placed by the banks with local authorities, where the banks are acting solely as agents and have no corresponding deposit liabilities, is excluded.

Advances comprise amounts outstanding on loan and overdrawn accounts, the banks' foreign currency balances with banks and financial institutions overseas, and net sterling claims on their offices or on their head offices overseas. Loans to UK local authorities are excluded. The figures are shown without deduction of provisions for bad and doubtful debts and exclude advances to other UK banks. For the London and Scottish clearing banks the figures also include certain refinanceable export and shipbuilding credits (for details see *Bank of England Quarterly Bulletin* June 1972, page 205).

Other assets include banks' own holdings of US dollar certificates of deposit, sterling securities (other than sterling bills discounted and British government stocks), trade investments, and foreign currency assets not included elsewhere (such as investments and discounted bills denominated in currencies other than sterling).

From mid-April 1973 the table includes figures for six new contributors (of which one was formerly a finance house). Two sets of figures are shown for mid-April 1973, giving the various categories of liabilities and assets before and after their inclusion. In both sets the figures are shown with the new contributors treated by existing banks as United Kingdom banks whereas in mid-March 1973 they are treated as Other United Kingdom residents. In order to make the first set of mid-April figures comparable with mid-March's, £17 million (sterling) and £19 million (other currencies) should be switched out of deposits from United Kingdom banks into deposits from Other United Kingdom residents, and £138 million (sterling) and £27 million (other currencies) out of Balances with other United Kingdom banks into Advances to United Kingdom residents.

London clearing banks

The London clearing banks comprise the six banks (Barclays Bank Ltd., Coutts & Co., Lloyds Bank Ltd., Midland Bank Ltd., National Westminster Bank Ltd. and Williams & Glyn's Bank Ltd.) forming the membership of the Committee of London Clearing Bankers. (As from 15 December 1969, Barclays Bank Ltd. incorporates Martins Bank Ltd. National Westminster Bank Ltd. was formed by the amalgamation of District Bank Ltd., National Provincial Bank Ltd. and Westminster Bank Ltd. on 1 January 1970. Williams and Glyn's bank was formed by the amalgamation of Glyn, Mills & Co., National Bank Ltd. and Williams Deacon's Bank Ltd. on 25 September 1970.) They are the principal commercial banks operating in England and Wales.

The figures are available in this form only since mid-October 1971, and are partly estimated. They differ from those in the old presentation (which ceased to be available at end-1972) in that they distinguish interbank transactions, assets and liabilities in currencies other than sterling, and loans to local authorities. They include under Advances a few miscellaneous items which in the old presentation were included under Money at call and short notice: notes on this earlier series last appeared in the 1972 issue of the *Supplement*. The considerations leading to the change in the form of the table and the main differences between the two series are described in the *Bank of England Quarterly Bulletin* March 1972.

Other accounts cover such items as credits in course of transmission and various other internal funds and accounts.

Advances include certain refinanceable export and shipbuilding credits (for details see *Bank of England Quarterly Bulletin* June 1972, page 205).

Bank clearings and currency circulation

Credit clearing

A credit clearing, similar to the debit clearing (see below), was instituted at the London Bankers' Clearing House in April 1960 to cover, in the first instance, payment by traders' credit (including salary and pension payments effected through the traders' credit machinery) and standing order payments. In October 1960 the scheme was extended to include credits paid in over the counter by customers for transmission to accounts at other banks. In March 1961 a further stage was introduced enabling credits to be paid in at any clearing bank by a member of the public (whether having a banking account or not) for transmission to a banking account anywhere in the United Kingdom; for certain organisations this stage was delayed until October 1961.

The figures exclude credit transfers between offices of the same bank.

Debit clearing

The clearings reported by the London Bankers' Clearing House represent the total of bankers' effects (cheques, drafts, bills, interest warrants, etc.) passed through the clearing house for collection from the banks. They exclude cheques, bills, etc. drawn on and paid into offices of the same bank.

Provincial clearings, apart from the afternoon clearing at Liverpool, were abolished as from 12 January 1968.

In December 1969, January 1970 and, to a lesser extent, in September 1970, the value of clearings reported by the London Bankers' Clearing House were reduced by mergers among the London clearing banks. The total effect is estimated to have been: Credit clearing—11% and Debit clearing—9%.

Currency circulation

The series showing estimated average weekly circulation of notes and coin with the public relates to the total note issues of the Bank of England, the Scottish clearing banks and Northern Ireland banks, *plus* the estimated total of United Kingdom silver, cupro-nickel, bronze and nickel-brass coin in circulation (excluding coin in the Bank of England, Issue Department), *less* notes and coin held by the Bank of England (Banking Department), by the Scottish clearing and Northern Ireland banks (as published in the London and Belfast Gazettes), which are largely Bank of England notes held as cover for their note issue in excess of the authorized circulation, and by the London clearing banks.

The figures for the amount of coin in circulation are provided by the Royal Mint and make allowance for coin which has been lost, destroyed or otherwise wasted.

Capital issues and redemptions

The estimates relate to new money raised by issues of ordinary, preference and loan capital (public issues, offers for sale, issues by tender, placings, and issues to shareholders and employees) by quoted public companies and local authorities in the United Kingdom and by

overseas public companies and public authorities (including local authorities and international organisations). The estimates include United Kingdom local authority negotiable bonds (of not less than one year) issued to or through the agency of banks, discount houses, issuing houses or brokers. Mortgages, bank advances and any other loans redeemable in less than twelve months are excluded, as also are loans from United Kingdom government funds, but not government subscriptions to company issues made *pari passu* with the market. Issues to shareholders are included only if the sole or principal share register is maintained in the United Kingdom. Estimates of issues are based on the prices at which securities are offered to the market. Subscriptions are recorded under the periods in which they are due to be paid. Redemptions relate to fixed interest securities of the kinds included as issues; conversions are included in the gross figures of both issues and redemptions.

The division between United Kingdom and overseas company borrowers is determined by the location of the registered office. United Kingdom Local authorities include, in addition to local governments, such public bodies as water, dock and harbour boards. All international issues (usually issues made on more than one market and through an international syndicate) are now excluded from this table.

A fuller description of the estimates is given in the *Bank of England Quarterly Bulletin*, Volume VI, No. 2 (June 1966).

Analysis of bank advances

This table relates to advances made by all banks included in the table 'Banks in the United Kingdom—summary' and by the Bank of England Banking Department.

The Scottish clearing banks are the three banks (Bank of Scotland, Clydesdale Bank Ltd., and the Royal Bank of Scotland Ltd.) represented on the Committee of Scottish Clearing Bankers. The Northern Ireland banks are the UK offices of the four members of the Northern Ireland Bankers' Association (Allied Irish Banks Ltd., Bank of Ireland, Northern Bank Ltd. and Ulster Bank Ltd.).

Figures generally relate to the third Wednesday in February, May, August and November. Figures for the Northern Ireland banks, which relate to the third Tuesday, are available only from February 1968. These are comparable with those provided by the other contributors to the table, but are in less detail.

This classification of advances, which is based as far as possible on the Standard Industrial Classification, was introduced in an article in the *Bank of England Quarterly Bulletin* March 1967. Classification in the analysis is by industry, irrespective of ownership (i.e. private, local authority or government) and where an advance cannot be attributed to any particular activity it is classed according to the most important activity of the borrower —if necessary within the specific residual groups provided within the broad divisions of manufacturing, financial and services. Advances to merchants, brokers, importers and exporters are classed under the relevant distributive trade. The analysis includes advances both in sterling and in foreign currencies. It is intended to cover only loans and overdrafts provided by banks to their customers, and does not include funds placed through the specialised financial markets with other banks (both in the United Kingdom and overseas) or with local authorities or finance houses, bills discounted, foreign bills negotiated or bought or impersonal or internal accounts.

The series includes (under the relevant categories) fixed rate credits for exports and domestic shipbuilding provided by the London and Scottish clearing banks, irrespective of amounts refinanced (for details see *Bank of England Quarterly Bulletin* June 1972). In May 1972, £734 million (London clearing banks £697 million, Scottish clearing banks £37 million) of fixed-rate credits and short-term export finance, previously included in Sterling bills discounted, was transferred to Advances. The two sets of figures in May 1972 for Banks in Great Britain and the London and Scottish clearing banks show the position before and after the transfer.

Money stock

There is no single, universally accepted, definition of money. Any definition must, therefore, to some extent be arbitrary, and different monetary aggregates will be useful for different purposes.

The current definitions of money stock (M_1 and M_3) are as follows:

The narrower definition (M_1) comprises holdings of notes and coin outside the banks *plus* all current accounts of UK private sector residents denominated in sterling *less* 60 per cent of the net value of transit items. This definition can be thought of as representing more closely the function of money as a medium of exchange, and as including the generally acceptable means of payment in the system.

The other definition (M_3) covers holding of notes and coin outside the banks, *plus* all deposits of UK residents (other than banks) with the United Kingdom banking sector including current and deposit accounts in sterling or foreign currency and estimated holdings of sterling certificates of deposit by UK residents (other than banks), *less* 60 per cent of the net value of transit items. (For further details see the August 1970 issue of *Economic Trends* and the *Bank of England Quarterly Bulletin*, September 1970 and March 1972).

Seasonally adjusted estimates of quarterly changes in the money stock are derived from a process of adjustment of the whole of the financial transactions matrix and therefore take account of the additional constraints imposed by that process. In particular:

(i) in any quarter, the sum of the adjustments of all sectors for a particular asset or liability is zero; and

(ii) in any quarter, the sum of the adjustments for the identified assets and liabilities of a particular sector is related, where possible, to the adjustment for the net acquisition of financial assets for that sector.

In addition, adjustments have been made to allow for the effect of varying days of the week on which a quarter begins and ends. These will not usually cancel out over the year since successive years end on different days of the week. (For a further explanation see pages 416–7 of the *Bank of England Quarterly Bulletin*, December 1969 and pages xli–xlvii of *Economic Trends* March 1972.)

The seasonal adjustments for the monthly series for M_1 and M_3 are less reliable than those for the quarterly series. (See the article 'Changes in Banking Statistics' in the *Bank of England Quarterly Bulletin*, March 1972).

For further information on the money stock see the article 'New money stock tables' and the additional notes to Table 12 in the *Bank of England Quarterly Bulletin*, December 1972.

Domestic credit expansion

DCE can be presented in two main ways. First it can be seen as bank lending to the public and private sectors *plus* changes in public holdings of notes and coin *plus* overseas lending to the public sector. Adjustments are

required to take account of bank lending in sterling to non-residents *less* bank lending in foreign currencies to residents for investment abroad. Second it can be derived from the total public sector borrowing requirement *less* the net acquisition of public sector debt by the non-bank private sector, *plus* bank lending to the private sector, *plus* the adjustments referred to in the first method. For further details see 'Money supply and Domestic credit' published in the May 1969 issue of *Economic Trends*.

Reserve ratios, special deposits and undefined assets multiple

Banks and finance houses

In the calculation of banks' reserve ratios, eligible liabilities comprise, in broad terms, sterling deposit liabilities, excluding deposits having an original maturity of over two years, *plus* any sterling resources obtained by switching foreign currencies into sterling. Inter-bank transactions and sterling certificates of deposit (both held and issued) are taken into the calculation of individual banks' liabilities on a net basis, irrespective of term. Adjustments are also made in respect of transit items.

Reserve assets comprise balances with the Bank of England (other than Special Deposits), British government and Northern Ireland government Treasury bills, company tax reserve certificates, money at call with the London money market, British government stocks and stocks of nationalised industries guaranteed by HM government with one year or less to final maturity, local authority bills eligible for rediscount at the Bank of England commercial bills eligible for rediscount at the Bank of England (up to a maximum of 2 per cent of eligible liabilities) and certain other assets, which are held only by the Northern Ireland banks. These are defined in the article 'Competition and credit control: further developments' in the *Bank of England Quarterly Bulletin*, March 1973, page 51.

In the calculation of the finance houses' reserve ratios, eligible liabilities comprise deposits with an original maturity of two years or less received from UK residents, other than banks, or from overseas. The definition of reserve assets is the same as for banks.

Full definitions are contained in the article 'Reserve ratios: further definitions', in the *Bank of England Quarterly Bulletin* December 1971, page 482.

Discount market

The discount market is here defined as the twelve discount houses, together with certain other firms carrying on an essentially similar type of business. These are the two discount brokers (Gerald Quin, Cope and Co. Ltd., and Page and Gwyther Ltd.) and the money trading departments of six banks traditionally maintaining such business (Algemene Bank Nederland NV, Banque Belge Ltd., Ionian Bank Ltd., Keyser Ullmann Ltd., Leopold Joseph and Sons Ltd., and Samuel Montagu & Co. Ltd.).

Public sector lending ratios: In the calculation of the public sector lending ratio, borrowed funds comprised:

(a) total sterling borrowing (other than capital) from all sources, *less* any sterling lending to other discount houses, discount brokers, money brokers, or the six banks' money trading departments, as already defined; *plus*

(b) the excess, if any, of liabilities denominated in currencies other than sterling over the total of assets in such currencies. No deduction was allowed from the total of borrowed funds if other currency assets exceeded other currency liabilities.

The categories of public sector debt included in the ratio were:

(a) UK and Northern Ireland Treasury bills;
(b) local authority bills eligible for rediscount at the Bank of England and negotiable bonds;
(c) public sector bills guaranteed by HM Government;
(d) company tax reserve certificates;
(e) British government stocks and stocks of nationalised industries guaranteed by HM Government, with not more than five years to final maturity; and
(f) local authority stocks with not more than five years to final maturity.

See the *Bank of England Quarterly Bulletin* September 1971, page 314 and the article 'Reserve ratios: further definitions' in the December 1971 *Bank of England Bulletin* page 482.

Undefined assets multiple: From 19 July 1973 public sector lending ratios were abolished. Credit control is now applied to the discount market through a limit on each institution's total holding of undefined assets (that is, assets other than those defined as public sector debt) in the form of a multiple of its capital resources. Public sector debt is defined as before, except that it excludes company tax reserve certificates and includes balances at the Bank of England and bills of public boards eligible at the Bank. For further details see 'Competition and credit control: modified arrangements for the discount market' in the *Bank of England Quarterly Bulletin* September 1973, page 306.

Discount market

The discount houses included in the table are those institutions belonging to the London Discount Market Association, currently Alexanders Discount Co. Ltd., Allen, Harvey & Ross Ltd., Cater, Ryder & Co. Ltd., Clive Discount Co. Ltd., Gerrard & National Discount Co. Ltd., Gillett Bros. Discount Co. Ltd., Jessel, Toynbee & Co. Ltd., King and Shaxson Ltd., Norman & Bennet Ltd., Seccombe, Marshall & Campion Ltd., Smith, St. Aubyn & Co. Ltd. and Union Discount Co. of London Ltd.

Following the introduction on 16 September 1971 of new arrangements for the control of credit, the table includes figures for mid-month reporting dates.

British government stocks

These include stocks of nationalised industries guaranteed by Her Majesty's government. They are given at nominal value and are mostly with redemption dates of under five years to the final date of maturity.

Other public sector bills

Treasury bills of the Northern Ireland government, bills issued by local authorities and bank bills drawn by nationalised industries (most of which are guaranteed by Her Majesty's government).

Other sterling bills

Mostly commercial bills drawn on banks and firms resident in the United Kingdom and on the London offices of overseas banks. The maximum maturity is not ordinarily longer than six months.

Local authority securities

Include local authority marketable bonds.

Negotiable certificates of deposit

Negotiable dollar certificates of deposit were first issued in May 1966 and sterling certificates of deposits in October 1968. The discount market acts as a secondary market for both types of certificate.

Other assets

Includes balances with Bank of England, advances, investments (other than local authority securities), and short-term loans to the London money market. Other assets in other currencies also include balances with UK banks and foreign currency bills.

Borrowed funds

Very short-term interest-bearing loans, mainly from banks in the United Kingdom. Other deposit banks here include, besides certain non-clearing banks whose business in the United Kingdom is mainly concerned with domestic banking, the Northern Ireland banks and the National Giro.

Accepting houses, overseas banks and other banks comprise members of the Accepting Houses Committee, the British Overseas and Commonwealth Banks Association, the Foreign Banks and Affiliates Association, the American banks in London, the Japanese banks in London and certain other overseas and UK banks.

Further details of the groups of banks are given in *Notes and Definitions, Financial Statistics* and the *Bank of England Quarterly Bulletin* December 1973.

Hire purchase and other instalment credit

Coverage of the figures

The figures relate to hire purchase and other instalment credit advanced by finance houses and selected kinds of retail business. These comprise durable goods shops (i.e. furniture shops, radio and electrical goods shops, cycle and perambulator shops, radio and TV rental specialists, the showrooms of gas and electricity boards and the durable goods departments of co-operative societies), department stores, other general stores, general mail order houses and the non-durable goods departments of co-operative societies.

Retailers directly finance most of their instalment credit sales themselves, the balance being financed directly by finance houses. The main business of finance houses, however, is the direct financing of instalment credit sales of motor vehicles and caravans, together with a substantial amount of farm, industrial and building plant and equipment and other non-household goods.

The figures relate not only to hire purchase agreements but also to other forms of instalment credit, for example credit sale ageements and personal loans repayable by instalments. Credit advanced by retailers in the form of trading checks exchangable only in their own shops is included, but credit advanced by check traders as such is not covered by the figures. Credit advanced other than on instalment terms (e.g. monthly account credit) is also not included.

The figures do not include the instalment credit business of banks, or of kinds of retailer not listed above.

Debt

The estimates of debt outstanding relate to the balance of instalments remaining to be paid at the end of the period. Some of the debt owing directly to retailers is discounted with finance houses but this discounted debt is included in the figures for retailers. The figures for finance houses comprise only the debt on agreements entered into by them directly with the customer, and they exclude debt on their other financing activities (discounting of retailers' agreements, financing of dealers' stocks, etc.).

New credit extended

New credit extended is the total amount advanced including charges, i.e. the credit price of the goods *less* deposits. As with the figures of debt, the figures for finance houses relate only to agreements entered into by them directly with the customer: the figures for retailers include agreements subsequently discounted with finance houses.

Sources of the figures

The estimates for retailers are based on the results of the 1966 Census of Distribution (see *Trade and Industry* 14 June 1973 page 525), projected by means of monthly returns from a stratified panel of retailers, in the same way as the statistics of total retail sales (see page 28). The basic data collected are debt outstanding and the value of instalment credit sales: the estimates of new credit are derived by making an allowance for deposits and (since the figures of sales relate to all sales on instalment credit, whether financed directly by the retailer or by a finance house) then deducting the credit extended by finance houses for household goods to allow for duplication.

The estimates for finance houses are based on the results of an inquiry taken in respect of business in the year 1965 (see *Board of Trade Journal*, 10 December 1969). As in the case of retailers, these are projected by means of monthly returns from a panel of finance houses, comprising all the largest houses and a sample of the smaller ones. The data collected from finance houses include the actual amounts of credit extended.

The latest summary statistics (in seasonally adjusted terms) are published each month in *Trade and Industry*. Detailed statistics appear each month in the Business Monitor series.

National savings

The terms offered on the main forms of national savings on sale from 1966 onwards, giving the dates from which the changes were operative, are shown below.

Standard or unified rates of tax:

1965/66 to 1970/71	41·25 per cent
1971/72 to 1972/73	38·75 per cent
1973/74	30·00 per cent

National savings certificates: Interest free of income tax, surtax, unified and capital gains tax.

1966 28 March	12th issue, £1 units. Maximum holding £500. Compound interest if held for five·years £4 11*s* 3*d* (£4·56½) per cent per annum, equivalent to £7 15*s* 4*d* (£7·76½) per cent grossed up for income tax at 41·25 per cent, or £7·45 per cent at 38·75 per cent tax or £6·52 per cent at 30·00 per cent tax.
1967 14 April	Maximum holding £750
1968 22 March	Maximum holding £1,000
1969 18 April	Maximum holding £1,500
1970 5 October	Decimal issue, £1 units. Maximum holding £500. Compound interest if held for four years £5·73½ per cent per annum, equivalent to £9·76 per cent grossed up for income tax at 41·25 per cent or £9·36½ per cent at 38·75 per cent tax or £8·19½ per cent at 30·00 per cent tax.
1971 1 April	Maximum holding £1,000
1973 7 March	Maximum holding £1,500

British savings bonds: First issued 1 April 1968. Sold for £5 and multiples of £5. Interest, payable half-yearly, assessable for income tax, surtax and unified tax;

bonuses free of income tax, surtax, unified tax, capital gains tax and corporation tax.

1969 28 April	1st issue 7 per cent. Maximum holding £10,000. Bonus £2 per cent if held for five years. Equivalent to £7·62 per cent per annum annual net redemption yield when grossed up for income tax at 41·25 per cent or £7·60 per cent at 38·75 per cent tax, or £7·50 per cent at 30·00 per cent tax.
1971 3 May	2nd issue 7 per cent. Maximum holding £10,000. Bonus £3 per cent if held for five years. Equivalent to £7·88 per cent per annum annual net redemption yield when grossed up for income tax at 38·75 per cent, or £7·754 per cent at 30 per cent tax.
1973 7 May	1st issue 8½ per cent. Maximum holding £10,000. Bonus £3 per cent if held for five years. Equivalent to £9·24 per cent per annum annual net redemption yield when grossed up for income tax at 30 per cent.

The net redemption yield is obtained by adding to the rate of interest (*less* income tax at standard rate or unified tax) the tax-free bonuses discounted over the life of the bond.

Save As You Earn scheme: Parallel schemes which commenced 1 October 1969 are operated by the Department for National Savings and the Trustee Savings Banks. Fixed monthly amounts of £1 to £10 are contracted for 5 years. In the case of contractors with one or more contracts registered with the Department for National Savings and/or Trustee Savings Banks, the £10 maximum is applicable to the total aggregate of each month's subscriptions on all contracts. Terms as follows: (a) 5 year bonus equal to 1 year's savings at a nominal annual rate of £6·99½ per cent compounded monthly, equivalent to £11·91 per cent when grossed up for income tax at 41·25 per cent, or £11·42 per cent at 38·75 per cent tax or £9·99 per cent at 30·00 per cent tax. Alternatively, for savings left invested a further 2 years: (b) 7 year bonus equal to 2 years savings, at nominal annual rate £7·41 per cent compounded monthly for 5 years and annually for 2 years; equivalent to £12·61 per cent when grossed up for income tax at 41·25 per cent or £12·10 per cent at 38·75 per cent tax or £10·59 per cent at 30·00 per cent tax. (c) No interest paid for savings withdrawn in first year of contracts' registration: (d) 2½ per cent per annum is paid on savings withdrawn after first but before the end of the fifth year (but see (f)); (e) 4½ per cent per annum is paid on savings left for remainder of full 5 years after payments have been discontinued and contracts lapse: (f) 4½ per cent per annum is paid on sums subscribed over a complete year by a deceased contractor. Terms (a) to (f) paid free of income tax, surtax, unified tax or capital gains tax.

1971 1 September	Maximum monthly payment increase to £20. A second contract can be taken out one month after first, but total monthly payments on all contracts must not exceed £20.
1973 1 December	Own As You Earn Scheme: A further SAYE contract not exceeding £20 monthly is permitted as contribution under this Share Savings Scheme. The extension of the maximum SAYE contribution is solely for accumulating savings in order to exercise options to acquire shares in an approved Share Savings Scheme.

Premium savings bonds: First issued 1 November 1956. Prizes free of income tax, surtax, unified or capital gains tax.

1966 1 February	Maximum holding £1,000. A prize of £25,000 in February, May, August and November each year in addition to monthly prizes. Interest at 4½ per cent forms a prize fund.
1967 14 April	Maximum holding £1,250.
1968 1 September	The rate of interest forming the prize fund raised to 4⅝ per cent per annum and a prize of £25,000 awarded weekly in addition to monthly prizes.
1971 1 April	Maximum holding £2,000.
1971 1 August	The rate of interest forming the prize fund raised to 4¾ per cent per annum and a prize of £50,000 each month in addition to the weekly prize of £25,000.
1972 5 February	Minimum purchase £2 bond, representing two £1 bonds.
1973 1 July	The rate of interest forming the prize fund raised to 4⅞ per cent per annum, and twenty-five £1,000 weekly prizes awarded in addition to the £25,000 weekly prize.

Deposits with National Savings Bank and trustee savings banks (ordinary department):

1969 1 July	Maximum deposit £10,000 on individual holdings. Interest 2½ per cent per annum. Interest up to £15 per annum free of income tax but not surtax: equivalent to £4 5*s* 1*d* (£4·25) per annum grossed up annually for income tax at 41·25 per cent.
1970 21 November	Interest rate raised to 3½ per cent on TSB accounts.
1971 1 January	Interest rate raised to 3½ per cent on NSB accounts. Interest up to £21 per annum free of income tax but not surtax; equivalent to £5·714 per cent per annum grossed up annually for income tax at 38·75 per cent.
1972 21 November	Interest rate raised to 4 per cent per annum on TSB accounts.
1973 1 January	Interest rate raised to 4 per cent per annum on NSB accounts.
1973 1 April	Interest up to £40 per annum free of all rates of tax for the 1974/75 year of assessment; equivalent to £5·714 per cent when grossed up for income tax at the basic rate of tax at 30 per cent.

Deposits with National Savings Bank Investment Account:

1969 1 July	Maximum deposit £10,000.
1969 1 October	Interest 7 per cent per annum.
1970 1 July	Interest 7½ per cent per annum.
1973 1 January	Interest 8 per cent per annum.
1974 1 January	Interest 9 per cent per annum.

Deposits with trustee savings banks (special investment departments): Rates of interest vary from bank to bank.

1969 1 July	Maximum deposit £10,000.

There is a slight amount of double counting in the series as purchases of defence bonds and national development bonds by the trustee savings banks special investment departments are also included in the sale of bonds.

The series does not include issues of national savings stamps and gift tokens. For earlier changes affecting national savings see *Notes and Definitions* to *Financial Statistics*.

Prices and yields of industrial securities

Figures are taken from the FT—Actuaries share indices which are published daily in the *Financial Times*. Details of the compilation of the indices are given in the booklet *Guide to the FT Statistics* published by the Financial Times. The prices taken are middle market prices at close of business, adjusted for accrued interest gross in the case of debentures and preference shares. Until 26 July 1968 the adjustment was accrued interest *less* income tax at the standard rate. The base date is 10 April 1962 (the starting date of the short-term capital gains tax). Monthly and annual figures are arithmetic averages of those for working days.

Debentures: The index is calculated from the price changes since the base date of fifteen redeemable stocks with an average term to maturity of about twenty years. The stocks are divided into three groups according to redemption date and the price factors for the three groups are combined in a weighted average to provide a price index appropriate to a stock of exactly twenty years duration. The weights for the various groups change daily.

Preference stocks: There are 20 component stocks and the price index is 1/20th of the sum of the percentage changes in prices of these stocks. Yields are the arithmetic averages of those calculated on each stock.

Ordinary shares: The index is a weighted arithmetic average of the percentage price changes of 500 industrial ordinary shares; weights for each constituent are the total market values of the shares issued at the base date but are modified to maintain continuity when capital changes occur, e.g. rights issues, or when constituents change, e.g. when companies disappear owing to takeovers or new companies become large enough to qualify for the indices.

Dividend yields: These are the totals of the last year's dividends, up to the most recently declared, payable on the capital of constituents expressed as percentages of total market valuation.

Bank rate and minimum lending rate

The minimum rate at which the Bank of England, acting as lender of last resort, normally lends to members of the discount market against security of British government Treasury bills, other approved bills, or British government stocks with five years or less to maturity.

Bank rate for the period 1932 to 12 October 1972 was as follows:

		Per cent
From 1932	30 June	2
1939	24 August	4
	28 September	3
	26 October	2
1951	8 November	2½
1952	12 March	4
1953	17 September	3½
1954	13 May	3
1955	27 January	3½
	24 February	4½
1956	16 February	5½
1957	7 February	5
	19 September	7
1958	20 March	6
	22 May	5½
	19 June	5
	14 August	4½
	20 November	4
1960	21 January	5
	23 June	6
	27 October	5½
	8 December	5
1961	25 July	7
	5 October	6½
	2 November	6
1962	8 March	5½
	22 March	5
	26 April	4½
1963	3 January	4
1964	27 February	5
	23 November	7
1965	3 June	6
1966	14 July	7
1967	26 January	6½
	16 March	6
	4 May	5½
	19 October	6
	9 November	6½
	18 November	8
1968	21 March	7½
	19 September	7
1969	27 February	8
1970	5 March	7½
	15 April	7
1971	1 April	6
	2 September	5
1972	22 June to 12 October	6

With effect from 13 October 1972, Bank rate was replaced by the Bank's minimum lending rate to the market which is normally one-half per cent higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest one-quarter per cent above. The rate then became effective, for lending by the Bank, from the following Monday. Special changes in the rate are not excluded under this system, in which event the operation of the formula would be temporarily suspended until market rates had adjusted themselves to the new level.

Average weekly earnings and hours worked in manufacturing and certain other industries

The industries covered are those for which separate figures are given, together with mining and quarrying (except coal mining), leather, leather goods and fur, certain miscellaneous services and public administration. The figures are based on returns from employers showing, for a particular week in the month indicated, the number of manual workers actually at work, their aggregate earnings and the total number of man-hours worked. The returns received cover some six million workers, but in calculating the general averages and those for each of the groups of industries shown separately the averages for the individual industries have been 'weighted' on the basis of the estimated total number of manual workers employed in each industry.

Percentage changes in average earnings represent the combined effect of a number of factors, including (*a*) increases in rates of wages; (*b*) changes in the number of hours actually worked and in the proportion of hours paid for at overtime, week-end and night-shift, etc., rates; (*c*) extensions of systems of payment by results in some industries, and increased output by the workers affected and (*d*) changes in the relative numbers of workers employed in different industries.

Comparable figures for other important industries are not available, but information on the earnings of hospital employees in the national health services, agricultural workers, coal miners and workers employed by British Rail and London Transport is given from time to time in the *Department of Employment Gazette*, previously the *Ministry of Labour Gazette*. Details of average weekly earnings of men by standard regions are given in the February issues of the *Department of Employment Gazette*.

Index of average earnings of all employees (monthly enquiry)

The index of average earnings is compiled from information supplied by employers about their total wages and salaries bill. The index measures the change from month to month in the average earnings in industry groups, in manufacturing as a whole and in all industries and services covered (combined). The last two indices are given both before and after seasonal adjustment.

The index was introduced in January 1963 but was revised in January 1967. A full account of this revision was given in an article on page 214 of the March 1967 issue of the *Ministry of Labour Gazette*. A further revision was effected in January 1970 to conform with the Standard Industrial Classification (revised 1968). The industries covered are shown in the published table, the footnotes to which also amplify these notes.

Index of basic weekly rates of wages

The index of *weekly* rates of wages measures the average movement from month to month in the level of full-time basic weekly rates of wages in the principal industries and services in the United Kingdom compared with the level at 31 July 1972 taken as 100. The index is based on a selection of the recognised minimum rates of wages or minimum entitlements fixed by voluntary collective agreements between organisations of employers and workpeople, arbitration awards or Wages Regulation Orders, for manual workers (including shop assistants but excluding clerical, technical and administrative workers) in 80 industries and services. Where there is an appreciable amount of piece-work, the movements in piece rates of wages are taken into account as well as movements in time rates. From this material estimates are made of the percentage movement in each industry in the wage rates for men, women and juveniles, respectively, and for all classes of workers combined. The percentage increases in the various industries are then combined in accordance with the relative importance of the industries, as measured by their total wages bills in 1970.

Indices are computed for all industries and services taken together and for a sub-group comprising manufacturing industries only and, for all workers combined, for 18 industry groups. If comparisons are made between one group and another it should be remembered that the indices for a particular group may have been affected by the incidence of changes in rates of wages in the months immediately prior to the base date (31 July 1972) and that having regard to the considerable variation in the provisions of collective agreements and statutory wages regulation orders there is no common pattern for the calculations of the indices for individual industries. Juveniles, in general, comprise males under 21 and females under 18 years of age.

The index does not reflect changes in earnings due to changes in such factors as the numbers of workpeople employed in different industries, in the relative proportions of workers in different age and sex groups, or engaged in different occupations and wage grades, or paid at time or piece rates. Neither does it reflect changes in the amount of overtime, short-time or absenteeism or changes in the earnings of piece-workers and other payment-by-results workers due to variations in output or the introduction of new machinery, etc.

The representative industries and services for which changes in rates of wages are taken into account in the index and fuller details of the method of calculation were described on pages 50 and 51 of the issue of the *Ministry of Labour Gazette* for February 1957 and pages 796 and 797 of the *Department of Employment Gazette* for September 1972.

Index of normal weekly hours

The index of normal weekly hours measures, for the same representative industries and services, the average movement from month to month in the level of normal weekly hours of work compared with the level at 31 July 1972 taken as 100. The normal weekly hours used in the calculation of the index are those in respect of which all rates used in the calculation of the index of weekly rates of wages are payable and hours for the separate industries are then combined in accordance with their relative importance, as measured by the numbers employed at the base date.

The index does not reflect changes in *actual* hours worked, which are affected by changes in the amount of overtime, short-time and absences for other reasons.

The method of calculation was described in more detail on pages 330 and 331 of the issue of the *Ministry of Labour Gazette* for September 1957 and pages 796 and 797 of the *Department of Employment Gazette* for September 1972.

Index of basic hourly rates of wages

The index of basic *weekly* rates of wages does not show any movement when normal weekly hours of work are

altered without any corresponding change in *weekly* rates of wages. The series for basic hourly rates of wages is obtained by dividing the monthly figures for the index of basic *weekly* rates of wages by the corresponding figures for the index of normal weekly hours.

General

Weighting structures

The following table gives details of the weights allocated to the various industry groups for the index of basic *weekly* rates of wages and the index of normal weekly hours.

Standard Industrial Classification (1968)		*Weights*	
Order	*Industry group*	*Index of weekly wage rates*	*Index of normal weekly hours*
I	Agriculture, forestry, fishing ..	210	247
II	Mining and quarrying ..	305	298
III	Food, drink and tobacco ..	436	445
IV and V	Chemicals and allied industries and coal and petroleum products	283	244
VI to XII	Metal manufacture; mechanical, instrument and electrical engineering; shipbuilding and marine engineering; vehicles; metal goods not elsewhere specified ..	2,840	2,471
XIII	Textiles	352	441
XIV	Leather, leather goods and fur	28	33
XV	Clothing and footwear ..	209	352
XVI	Bricks, pottery, glass, cement, etc.	227	204
XVII	Timber, furniture, etc. ..	179	186
XVIII	Paper, printing and publishing	387	340
XIX	Other manufacturing industries	197	190
XX	Construction	970	970
XXI	Gas, electricity and water ..	209	191
XXII	Transport and communication	1,034	869
XXIII	Distributive trades ..	802	1,023
XXV	Professional and scientific services	382	401
XXVI	Miscellaneous services ..	576	713
XXVII	Public administration and defence	374	382
Total	All industries and services	10,000	10,000
III to XIX	Manufacturing industries only	5,138	4,906

Linking with earlier series

The figures for the indices of basic *weekly* rates of wages, normal weekly hours and basic *hourly* rates of wages may be linked with those of the previous series (31 January 1956 = 100) to give a measure, on a broad basis, of the movement in basic *weekly* rates of wages, normal weekly hours and basic *hourly* rates of wages respectively since January 1956. For this purpose the appropriate figure should be multiplied by one of the following factors:

	All workers	Men	Women	Juveniles
Basic weekly rates of wages				
All industries and services.. ..	2·495	2·452	2·590	2·923
Manufacturing industries only ..	2·453	2·388	2·612	2·976
Normal weekly hours				
All industries and services.. ..	0·900	0·901	0·898	0·898
Manufacturing industries only ..	0·904	0·905	0·900	0·903
Basic hourly rates of wages				
All industries and services.. ..	2·773	2·723	2·885	3·254
Manufacturing industries only ..	2·714	2·638	2·902	3·295

The publication of the index figures to one decimal place must not be taken to mean that these figures are thought to be significant to more than the nearest whole number. Where necessary figures for any particular month are revised to include changes arranged with retrospective effect or reported too late for inclusion.

General index of retail prices

The General index of retail prices measures the percentage changes month by month in the average level of prices of the commodities and services purchased by the great majority of households in the United Kingdom, including practically all wage earners and most small and medium salary earners. The weights used from February 1956 to January 1962 for combining the indices for the various groups of items were based on information provided by a large-scale Household Expenditure Enquiry made in 1953–54 adjusted to correspond with the levels of prices ruling in January 1956. From February 1962 to January 1963 the weights used were derived from the continuing Family Expenditure Surveys for the three years July 1958 to June 1961, adjusted to correspond with the levels of prices ruling in January 1962. From 1963 onwards weights have been revised in February each year on the basis of information derived from the Family Expenditure Surveys for the three years ended in the previous June, adjusted to correspond with the levels of prices ruling in January of the current year.

From 1968 onwards the index has been divided into eleven main groups for which the weights are shown in the table in the Digest. Prior to 1968 there were 10 main groups for which the weights for each year from 1962 to 1967 are given below, together with the weights which would have been used in 1968 if the eleventh group had not been introduced.

The index is calculated monthly in respect of a Tuesday near the middle of each month.

Expenditure covered by the index does not include income tax payments, national insurance contributions, life insurance premiums and payments to pension funds, premiums for household insurance (other than insurance of the building), subscriptions to trade unions, friendly societies, hospital funds, church collections, etc., cash gifts, Pools and other betting payments, doctors', dentists', etc. fees, and capital sums or mortgage payments for house purchase or major structural alterations.

	Feb. 1962 to Jan. 1963	Feb. 1963 to Jan. 1964	Feb. 1964 to Jan. 1965	Feb. 1965 to Jan. 1966	Feb. 1966 to Jan. 1967	Feb. 1967 to Jan. 1968	Feb. 1968 to Jan. 1969
I Food	319	319	314	311	298	293	289
II Alcoholic drink	64	63	63	65	67	67	65
III Tobacco	79	77	74	76	77	72	68
IV Housing	102	104	107	109	113	118	123
V Fuel and light	62	63	66	65	64	62	64
VI Durable household goods	64	64	62	59	57	59	60
VII Clothing and footwear	98	98	95	92	91	92	91
VIII Transport and vehicles	92	93	100	105	116	118	122
IX Miscellaneous goods	64	63	63	63	61	61	61
X Services	56	56	56	55	56	58	57
XI Meals bought and consumed outside the home	—	—	—	—	—	—	—
	1,000	1,000	1,000	1,000	1,000	1,000	1,000

For expenditure coming within the scope of the index, a representative list of items was selected and the prices of these items are collected at regular intervals. Quotations are obtained from retail shops typical of those from which the majority of households commonly make their purchases in a large number of urban and rural centres throughout the United Kingdom. The prices used are the prices actually charged. So far as possible they relate to goods of unchanged quality at successive dates; when the quality changes, an appropriate adjustment is made to the price index.

An account of the method used for computing the index is given in *Method of Construction and Calculation of the Index of Retail Prices* (No. 6 in the series Studies in Official Statistics) published for the Department of Employment by Her Majesty's Stationery Office. A few changes are made from time to time in the list of items priced and details of such changes made between the date of publication of the booklet and July 1972 were given in *Hansard*, 12 July 1972, written answers, columns 371–2. Reference may also be made to reports of the Cost of Living Advisory Committee (Cmd.9710, Cmnd.1657 and Cmnd.3677), to the *Report of an Enquiry into Household Expenditure in 1953–54* and *Reports on the Family Expenditure Surveys* for *1957–59*, *1960 and 1961*, and annually from *1962* to *1972*, published by Her Majesty's Stationery Office.

Family expenditure survey

The notes below relate to the tables in the *Annual Abstract of Statistics* and *Abstract of Regional Statistics*. The survey covers all types of private households in the United Kingdom. It is a continuing enquiry in which a sample of nearly 11,000 addresses is selected annually. An effective sample of some 10,400 households is obtained, of which about 70 per cent co-operate. Results of the survey will be found in annual *Family Expenditure Survey Reports* (HMSO), together with a full list of definitions and items on which information is collected.

The annual reports include a brief account of the sampling and field work procedure and a full description is provided by the technical handbook, *Family Expenditure Survey: Handbook on the Sample, Fieldwork and Coding Procedures* (HMSO).

Changes made in definitions from year to year may affect annual comparisons. The most recent substantial variations, in the 1968 survey, were described in the report for that year. A summary of the main definitions in current use is given in the following paragraphs.

Household

The household is defined as including all those who live at the same address and who are catered for by the same person. The members of a household thus defined are not necessarily related by blood or marriage. Resident domestic servants are included. As the survey covers only private households, people living in hostels, hotels, boarding houses or institutions are excluded. No attempt is made to obtain records from households containing members of the diplomatic service of another country or of the United States armed forces.

Household income

Household income is the aggregate of the gross incomes of the individual members of the household before deduction of income tax, national insurance contributions and any other deductions at source. Income as thus defined excludes money received by one member from another member of the household, proceeds from the sale of cars, furniture or other capital assets, and receipts from legacies, maturing insurance policies and windfalls. With the exceptions of luncheon vouchers and an imputed amount for rent-free accommodation, income in kind is also excluded.

Expenditure

Expenditure is taken as representing current expenditure on goods and services. It excludes savings or investments (e.g. purchase of national savings certificates or shares; life insurance premiums; contributions to pension funds). Income tax payments and national insurance contributions, and mortgage and other payments for purchase of or major additions to dwellings are also excluded. Special procedures are applied to purchases under hire purchase and other credit arrangements.

Housing expenditure

Housing expenditure of households living in unfurnished or furnished rented dwellings consists of the payments by such households for rent, rates, water and any insurance of the structure, *less* receipts (if any) from sub-letting. For households living in rent-free accommodation housing expenditure is estimated in the same way as for rented dwellings except that a notional amount of rent based on the rateable value of the accommodation is included. Expenditure of households living in their own

dwellings consists of the payments by these households for rates, water, ground rent and insurance of the structure together with the weekly equivalent of the rateable value of the dwelling *less* receipts (if any) from letting.

Worker

This is a person who is gainfully employed as an employee or is an employer or is self-employed.

Index numbers of wholesale prices

The index numbers are calculated from the price movements of some 12,000 closely defined materials and products representative of goods purchased and manufactured by United Kingdom industry. The index for an individual commodity expresses the current price as a percentage of its annual average price in 1970, the reference year of the series.

Commodity price index numbers are combined into index numbers for groups of commodities and for materials purchased by and output of broad sectors of industry; industries are defined according to the 1968 Standard Industrial Classification. In building up the index numbers the weighting pattern used is that of 1968. Thus the index numbers express the cost of a 1968 basket of goods as a percentage of what the same basket cost in 1970. The use of two different years for the weighting base and for the reference year is owing to the fact that the 1968 Census of Production is the most up-to-date source for most of the detailed information required for weighting; the selection of 1970 rather than 1968 as the reference year is in accordance with international recommendations.

The weights used have been derived from the Census of Production supplemented by short-term statistics of production, *Overseas Trade Statistics*, information supplied by trade associations and various other sources. The value of goods for which no price series are available is imputed to prices series which may be expected to move similarly.

The values of sales or purchases used for weighting are net, i.e. transactions between undertakings within the same sector are excluded. For example steel is included in the index for all manufactured products only to the extent that it is sold outside manufacturing such as to the construction industries; steel sold within the manufacturing sector is excluded. However, sales of capital goods are all treated as sales outside manufacturing industry, in accordance with national income accounting practice, which treats capital formation as a separate sector.

As far as possible 'delivered' prices are used in compiling the index numbers of materials purchased; 'ex-works' prices are used in compiling the index numbers of output prices, unless it is the custom of a trade to quote delivered prices. The prices collected are those that are quoted for current orders placed, which are not necessarily the same as those at which current deliveries are being received. This means, for example, that price changes in imported materials are generally reflected in the index numbers of materials purchased in advance of the corresponding changes in the unit values of imports entering the country.

The series of wholesale price index numbers with 1970 as 100 was introduced in June 1973. An article in *Trade and Industry* of 21 June 1973 summarises the differences between this series and that with 1963 as 100.

Index numbers of the cost of new construction

The index relates to changes in the cost of new building and civil engineering works in Great Britain, excluding repairs and maintenance. It incorporates changes in the cost of materials, the cost of labour and of overheads and profits. It is designed to indicate general trends in the cost of new construction work, and not changes in cost in any particular part of the country of any specific type of building or of civil engineering work.

Index numbers of the average price of new dwellings for private owners

The index has been compiled from information provided by a number of building societies, including most of the larger societies, whose combined assets represent about 75 per cent of the total assets of the movement in Great Britain. Each society completes a return every quarter showing the number and the total purchase price of new dwellings mortgaged; the returns of some societies refer to dwellings on which mortgages were completed in the quarter while those of the remainder refer to dwellings on which mortgages were approved. The types, sizes, location and nature of the title of dwellings may vary from quarter to quarter. The index gives an indication of the changes in the price of new dwellings but not changes in the cost of building.

Index numbers of agricultural prices

The index numbers of agricultural prices in the United Kingdom (1968/69–1971/72 = 100) supersede the series (1964/65–1966/67 = 100) which were discontinued from June 1973, i.e. at the end of the 1972/73 harvest year. The new series of indices cover all the main agricultural products and also the main groups of materials currently consumed by agriculture. The purpose, background, scope and construction of the index was described in *Economic Trends*, February 1962. There are no fundamental changes, in the rebased series, For details of sources and methods used see *Agricultural Statistics 1969/70/71 United Kingdom.*

Price indices for products

An index number for each main product sold off the national farm (i.e. all agricultural holdings regarded collectively as one farm) is calculated by comparing the current price with the simple average of four annual prices covering the four harvest years 1968/69–1971/72. Prices are measured at the first practicable point after the farm gate, e.g. open markets or point of purchase by a marketing board. Product indices are combined into group indices on an annual basis by the use of weights proportional to the value of sales off the national farm in the base period; both weights and prices are on a gross-price basis, i.e. they include any Exchequer payments relating to sales of products. For types of cereals and guaranteed classes of fatstock, a second index is calculated in each case based on market prices; that is to say, the current market price (exclusive of deficiency payments, guarantee payments and, from July 1968 to June 1971, payments under the Field Beans Grants Scheme) is compared with the average market price in the base period. Annual average prices for products are normally weighted averages of twelve monthly prices.

Price indices for materials

Index numbers for the main kinds of currently consumed materials are calculated by methods similar to those used for products, prices being measured at the nearest practicable point before the farm gate, i.e. on a Delivered basis if possible. Group indices are calculated from indices for separate materials using base-period values as weights, but no all-materials index is calculated. For subsidised materials (fertilizers and lime) the series

shown in the *Monthly Digest* and the *Annual Abstract* are on a net-price basis; that is to say, current prices, base prices and value-weights relate to the final cost of these materials to the farmer (i.e. market price *less* subsidy rebates). Annual average prices for materials are in some cases simple averages of twelve monthly prices and in other cases averages weighted according to fixed month-to-month volume weights reflecting the normal pattern of monthly purchases of the commodity. (The index for labour is based on the cost per hour of hired men in Great Britain.)

Agricultural producer returns

The table of agricultural producer returns, included in the *Annual Abstract of Statistics*, consists of annual average prices showing what producers as a whole have received from the sale of certain products during the marketing year. They are similar to, but not always identical with, the gross prices used for calculating index numbers of agricultural prices.

For cereals, Cereals Deficiency Payments Scheme records are the main source used. Prior to 1971/72 the series for wheat was obtained by weighting the average market prices and deficiency payments *less* the Home Grown Cereals Authority levy, in each accounting period during the marketing year by the quantities of wheat qualifying for deficiency payment. From 1971/72 the series for wheat and barley uses the average price as calculated for the Cereals Deficiency Payments Scheme together with the deficiency payment per hundredweight. Full details of the Cereals Deficiency Payments Scheme are available in the current official booklet (i.e. 1971 edition).

For potatoes, the annual prices for 1959/60 onwards are as published in annual press notices (e.g. MAFF 5/12/73 No. 496). For sugar beet, prices are as calculated by the British Sugar Corporation Ltd., and include adjustments for early and late delivery. The prices for hops cover the crops consigned to the Hops Marketing Board.

Fatstock figures are taken from Fatstock Guarantee Scheme records; details of the scheme are available in the annual official booklet.

The milk series consists of the average price paid to wholesale producers in England and Wales calculated by the Milk Marketing Board. For eggs, the annual prices up to 1970/71 are as shown in the British Egg Marketing Board's annual reports; from 1971/72 the average producer price is based on prices notified by suppliers (including subsidy). Wool prices are from the annual reports of the British Wool Marketing Board.

XVIII. ENTERTAINMENT

Broadcast receiving licences current

These figures are compiled by the Post Office and represent the total number of annual licences in force at the end of the period. They include about 38,001 licences issued at a reduced fee to the blind.

Cinema statistics

Figures from 1959 until March 1967 were estimates, based on information relating to a sample of cinemas. From April 1967 figures are based on four-weekly returns submitted regularly to HM Customs and Excise by cinemas responsible for approximately 95 per cent of total takings *plus* an estimate for the remainder of the cinemas, which are exempt from four-weekly returns based on an annual Department of Trade and Industry enquiry.

XIX. WEATHER

Air temperature

Averages of air temperature for 1931–60 were used as standards for comparison between January 1963 and December 1973. These were replaced in January 1974 by the averages for 1941–70 which were prepared by taking means of the average temperatures at 49 representative stations, the average at each station having first been reduced to sea level by adding 0·6° Centigrade for 100 m above sea level.

The monthly and annual values of mean daily air temperature at sea level for individual years are estimates obtained by calculating the means of the differences from the long-period averages at about 30 stations in England and Wales, 15 in Scotland and 4 in Northern Ireland and adding these mean differences algebraically to the long-period averages for the territories concerned.

Rainfall

The annual areal averages of rainfall for the period 1916–50 are based on planimeter measurements of detailed annual maps of rainfall using values from some 6,000 stations. To obtain the monthly areal values for this period, maps of monthly average rainfall, expressed as a percentage of the annual average, are used first to estimate the monthly areal percentage proportions of rainfall and then to apportion the average annual rainfall.

The values for individual years are estimates obtained by calculating the means of the percentages of the averages for some 180 well-distributed stations, and applying these mean percentage values to the averages in millimetres for the respective territories. The procedure is carried out each month, and independently for the total rainfall for the year; the separate monthly values are subsequently amended so that the sums agree with the corresponding annual totals.

Sunshine

Averages of bright sunshine for 1931–60 were used as standards for comparison between January 1963 and December 1973. These were replaced in January 1974 by the averages for 1941–70 which were prepared by taking the means of the average sunshine at 50 stations selected to give as representative a distribution as possible.

The mean daily amounts of sunshine for individual years are estimates obtained by calculating the means of the percentages of the average for about 30 stations in England and Wales, 15 in Scotland and 5 in Northern Ireland, and applying these mean percentage values to the long-period averages for the respective territories.

Further details on weather statistics and particulars of longer series of values may be obtained from the Director-General, Meteorological Office, Met.O.3 London Road, Bracknell, Berkshire RG12 2SZ.

Conversion factors

Temperature

To convert degrees centigrade into degrees fahrenheit: multiply by 9, divide by 5, and add 32.

Rainfall

1 millimetre = 0·0394 inch

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APPENDIX

STANDARD REGIONS FOR STATISTICAL PURPOSES

The list below gives broad definitions of the standard regions for statistical purposes; these regions coincide with those used for economic planning.

For more detailed descriptions of the standard regions, reference should be made to the *Abstract of Regional Statistics No. 9, 1973* (HMSO, £1·45) Appendixes I and II. Appendix I includes the constitution of the seven conurbations by local authorities. Appendix II defines the sub-divisions of the standard regions of England and Wales and the planning regions of Scotland in terms both of local authorities (administrative areas in Scotland) and employment exchanges. Development and intermediate areas are also indicated.

North

Cumberland, Durham, Northumberland, Westmorland and the North Riding of Yorkshire.

Yorkshire and Humberside

The East and West Ridings of Yorkshire (including City of York) and Lincolnshire (Parts of Lindsey excluding Lincoln CB).

East Midlands

Derbyshire (except the High Peak District, which is included in the North West Region), Leicestershire, Lincolnshire (Parts of Holland, Parts of Kesteven and Lincoln CB), Northamptonshire, Nottinghamshire and Rutland.

East Anglia

Cambridgeshire and Isle of Ely, Huntingdon and Peterborough, Norfolk and Suffolk.

South East

Bedfordshire, Hertfordshire, Essex, Berkshire, Buckinghamshire, Oxfordshire, London (Greater London Council area), Kent, Surrey, Sussex, Hampshire, Isle of Wight and the Borough of Poole.*

South West

Cornwall (including the Isles of Scilly), Devon, Dorset (excluding the Borough of Poole)*, Gloucestershire, Somerset and Wiltshire.

West Midlands

Herefordshire, Shropshire, Staffordshire, Warwickshire and Worcestershire.

North West

Cheshire, Lancashire and the High Peak District of Derbyshire (the Boroughs of Buxton and Glossop, the urban districts of New Mills and Whaley Bridge, and the rural district of Chapel en le Frith).

Wales

The whole of Wales and Monmouthshire.

Scotland

The whole of Scotland.

Northern Ireland

Antrim, Down, Armagh, Fermanagh, Tyrone, Londonderry, Belfast C.B., Londonderry C.B.

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* Poole is in the South West Economic Planning Region but has been included in the South East statistical region pending the report of the Local Government Commission on this area.

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